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DEPARTMENT OF STATE AUTHORIZATION  
FOR FISCAL YEAR 1974

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GOVERNMENT

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS

OF THE

COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

MAY 1, 2, 3, 7, AND 8, 1973

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# CONTENTS

## LIST OF WITNESSES

	Page
Tuesday, May 1, 1973	1
Murray, Richard W., Deputy Assistant Secretary for Budget and Finance, Department of State	7
Sisco, Hon. Joseph J., Assistant Secretary, Bureau of Near Eastern and South Asian Affairs, Department of State	15
Tarr, Hon. Curtis W., Under Secretary for Security Assistance, and Acting Deputy Under Secretary for Management, Department of State	1
Wednesday, May 2, 1973	33
Bradford, William G., Executive Director, Bureau of African Affairs, Department of State	51
Conlin, Michael M., Budget Planning and Presentation, Bureau of Administration, Department of State	54
Hummel, Hon. Arthur W., Jr., Acting Assistant Secretary, Bureau of East Asian and Pacific Affairs, Department of State	33
Newsom, Hon. David D., Assistant Secretary, Bureau of African Affairs, Department of State	46
Smith, Walker W., Acting Executive Director, Bureau of East Asian and Pacific Affairs, Department of State	37
Thursday, May 3, 1973	61
Alter, David E., Jr., Budget and Program Adviser, USOAS, Bureau of Inter-American Affairs, Department of State	84
Crimmins, Hon. John Hugh, Acting Assistant Secretary, Bureau of Inter-American Affairs, Department of State	61
Cummins, Sidney S., Funds Management and Congressional Presentations, Bureau of International Organization Affairs, Department of State	83
De Palma, Hon. Samuel, Assistant Secretary, Bureau of International Organization Affairs, Department of State	76
Murray, Richard W., Deputy Assistant Secretary for Budget and Finance, Department of State	86
Monday, May 7, 1973	91
Denney, George C., Jr., Deputy Director, Bureau of Intelligence and Research, Department of State	112
Murray, Richard W., Deputy Assistant Secretary for Budget and Finance, Department of State	108
Richardson, Hon. John, Jr., Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State	98
Stoessel, Hon. Walter J., Jr., Assistant Secretary, Bureau of European Affairs, Department of State	91
Tuesday, May 8, 1973	129
Bingham, Hon. Jonathan B., A Representative in Congress from the State of New York	129

## TABLES, STATEMENTS, AND MEMORANDUMS SUBMITTED FOR THE RECORD BY THE DEPARTMENT OF STATE

Bureau of Near Eastern and South Asian Affairs fiscal year 1974 budget summary	16
Near East and South Asia, numbers of civilian agency personnel overseas	facing 16
Bureau of East Asian and Pacific Affairs fiscal year 1974 budget summary	33
East Asia and Pacific, numbers of civilian agency personnel overseas	facing 34

	Page
Quota on immigrants from Korea.....	36
Department of State personnel assigned to Vietnam.....	40
Department of State operating costs in Vietnam.....	40
Number of U.S. civilian agency personnel on duty in Indonesia.....	43
Bureau of African Affairs fiscal year 1974 budget summary.....	46
Africa, numbers of civilian agency personnel overseas.....	facing 46
Bureau of African Affairs hardship post differential.....	49
Representation at African posts in which the United States has an embassy.....	55
Destination of exported Nigerian oil.....	56
OPIC activities in Africa.....	59
Bureau of Inter-American Affairs fiscal year 1974 budget summary.....	62
Latin American Republics, numbers of civilian agency personnel overseas.....	facing 62
Percentage of U.S. citizen employees of the OAS compared to the total OAS employees, as of December 31, 1972.....	64
Gross national product of member countries of the OAS compared with their contributions to the OAS operating funds.....	65
Franking privileges in the United States.....	72
Budget estimate for Marine guard clothing.....	72
International Organizations and Conferences fiscal year 1974 budget summary.....	76
Summary as of January 1, 1973, collections and arrearages for 1972 and prior years of U.N. accounts for the regular budget, working capital fund, emergency force, and the Congo.....	79
Bureau of European Affairs fiscal year 1974 budget summary.....	92
Europe, number of civilian agency personnel overseas.....	facing 92
Social Security Administration staff overseas.....	94
Department of the Treasury staff overseas.....	95
Department of Justice personnel overseas.....	96
Educational Exchange fiscal year 1974 budget summary.....	99
Percentage of foreign students enrolled in U.S. colleges and universities who are sponsored by Government programs.....	110
Bureau of Intelligence and Research fiscal year 1974 budget summary.....	112

## APPENDIX

Global summary, numbers of civilian agency personnel overseas under jurisdiction of diplomatic Mission Chiefs, December 31, 1972.....	facing 134
Text of bill on which hearings were held (H.R. 7316).....	135
Text of bill reported by subcommittee upon completion of hearings (H.R. 7645).....	137

## DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1974

TUESDAY, MAY 1, 1973

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS,  
*Washington, D.C.*

The subcommittee met at 2 p.m. in room H-328, the Capitol, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. Gentlemen, this is the first of a series of hearings on the Department of State authorization for fiscal year 1974. The Department sent up a draft bill that I have amended and introduced.

Secretary Rogers is unavailable today but I expect him to appear before we conclude our hearings. Our leadoff witness will be Hon. Curtis W. Tarr, Under Secretary for Security Assistance and Acting Deputy Under Secretary for Management. He is holding the position that Mr. Macomber previously held.

Mr. Tarr will be followed by principal officers from each of the various bureaus in the Department.

Mr. Tarr, you may proceed.

### STATEMENT OF HON. CURTIS W. TARR, UNDER SECRETARY FOR SECURITY ASSISTANCE AND ACTING DEPUTY UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE

Dr. Curtis W. Tarr was sworn in as Under Secretary of State for Coordinating Security Assistance on May 17, 1972. He assumed the added duties of Acting Deputy Under Secretary of State for Management on April 5, 1973.

Born September 18, 1924 in Stockton, California, Dr. Tarr received his B.A. in Economics from Stanford University in 1948, a masters degree in Business Administration from Harvard in 1950, and a Ph. D. in American History from Stanford in 1962. He holds honorary degrees from Ripon College, Wisconsin (1965) and Grinnell College, Iowa (1969).

After serving as Assistant Secretary of the Air Force for Manpower and Reserve Affairs from 1969 to 1970, he was appointed Director of Selective Service. He was President of Lawrence University—formerly Lawrence College at Appleton, Wisconsin—from 1963 to 1969. Previously he had served as a staff member on the Second Hoover Commission in 1954-55, and he was Chairman of the Wisconsin Governor's Task Force on Local Government Finance and Organization from 1967 to 1969.

Dr. Tarr was Vice President of the Sierra Tractor and Equipment Company in Chico, California from 1952 to 1958, research assistant and instructor at Harvard Graduate School of Business from 1950 to 1952, lecturer at Chico State College 1953-55, Assistant Director, Summer Session of Stanford University in 1961 and 62, and Assistant Dean, School of Humanities and Science, Director of Summer Session and lecturer at Stanford in 1962-63.

Dr. Tarr was in the United States Army from 1943 to 1945, including 18 months combat duty in Europe. He was Republican Candidate for Congress from the Second District of California in 1958.

Married to the former Elizabeth May Myers, Dr. and Mrs. Tarr have two daughters.

Mr. TARR. Thank you, Mr. Chairman, and members of the committee. I appear before you today as the Acting Deputy Under Secretary of State for Management. I am assuming these duties on a temporary basis at the request of the Secretary. I am not sure permanently what the Secretary of State will want to do in connection with this position.

We are requesting authorization for appropriations of \$578 million in fiscal year 1974. The increase of \$47 million over the current fiscal year is primarily to meet statutory and mandatory cost appreciation such as overseas wage and prices, contributions to the assessed budgets of international organizations, salary adjustments, and increased passport and consular workloads. These items comprise over 80 percent of the increased request for fiscal year 1974.

Turning to the specific provisions of the bill before you, section 101 includes the activities of the Department of State under five headings. Subsection (1), is "Administration of Foreign Affairs" in the amount of \$282.6 million. This category provides for the salaries, expenses, and allowances of most of the officers and employees of the Department, both here and abroad. These resources provide for executive direction, policy formulation, the conduct of diplomatic and consular relations, and payment to the Foreign Service retirement and disability fund. Over 80 percent goes for salaries, personnel benefits, rents, communications, and utilities.

The second activity is "International Organizations and Conferences" where we are requesting authorization of \$211.3 million. This amount is primarily for the U.S. assessed share of the expenses of international organizations in which membership has been authorized by treaties, conventions, or specific acts of Congress.

These contributions represent 95 percent of the amount requested under this subsection. Also included here are operating funds for our mission at the United Nations and the headquarters of certain international organizations, U.S. participation in multilateral conferences and meetings, annual contributions to several international organizations, and expenses of congressional delegations to international parliamentary meetings. In this category, we have a new appropriation request for fiscal year 1974, Mr. Chairman, for trade negotiations, which are to be conducted under the auspices of the General Agreement on Tariffs and Trade.

Under "International commissions," is \$15.6 million. This amount will finance the International Boundary and Water Commission, United States and Mexico, and the American Sections of the United States-Canadian International Boundary and International Joint Commissions and United States participation in the International Fisheries Commissions, in accordance with treaties, conventions, and specific acts of Congress which are directed toward the preservation and expansion of fishery stocks.

Under "Educational Exchange" we request \$59.8 million in authorization for the appropriation for the mutual educational and cultural exchange program which finances the educational and cultural programs of the Department of State, including the exchange

of persons, aid to American-sponsored schools abroad, and cultural presentations.

Also in this category is the authorization of funds for the Center for Cultural and Technical Interchange between East and West in Hawaii. This Center provides grants and fellowships to qualified students, professionals, and scholars from Asia, the Pacific, and from the United States to work jointly on problems of mutual concern.

The final category, Mr. Chairman, is for the migration and refugee assistance program for which we request authorization of \$8.8 million in 1974. Through this program the Secretary of State oversees the provision of assistance to migrants and refugees both on a multilateral basis, through contributions to organizations such as the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, and unilaterally through assistance to refugees designated by the President as authorized by law. Also included is the U.S. contribution to the International Red Cross.

Mr. HAYS. Mr. Tarr, before you proceed any further, let me say that you folks sent a bill up here which I was not willing to introduce under my name, with section 102 in it, and I struck it out. I am not saying it cannot be put back in if the committee so desires, but I am told the Senate is not going to give you a 2-year authorization and I do not propose to get in a hassle with them about it. I also struck out section 105 of the bill I introduced, again subject to the will of the committee, but I was not willing to introduce the bill with that in it, under my name.

I thought I would tell you that before you got to those sections. You can go ahead and make your presentation. The bill is not back from the printers, but it was introduced yesterday with those two deletions. Otherwise, it is the same bill as you brought up here.

Mr. TARR. Thank you, Mr. Chairman. I think I will read into the record what I have before me here, and then you can go ahead with your questions.

Mr. Chairman, section 102 of the bill is a request for authorization of such sums as may be necessary to carry out the above activities in fiscal year 1975. The purpose of this section is to advance the authorization process 1 fiscal year ahead of the appropriation process. In other words, we would expect to return to this committee next year for authorization of appropriations for fiscal year 1976 while the Congress is considering the appropriation request for fiscal year 1975.

Section 103 provides for the extension of the availability of funds beyond the end of the fiscal year to the extent provided for in appropriation acts. This authority is customarily granted to the construction account of the International Boundary and Water Commission, United States and Mexico, to enable the Department to retain funds appropriated for construction projects, the completion of which extends beyond the fiscal year and, with respect to migration and refugee assistance, to enable the Department to meet calendar year program needs.

Section 104 of the bill is a new provision. Its purpose is to permit the transfer of any unappropriated portion of the amount authorized in any category of section 101 to any other category in section 101.

The final section, 105, provides authorization for appropriations for a number of functions, activities, and expenses that cannot be specified in advance. These could include increases in pay, retirement, and other employee benefits provided by law which occur from time to time and require supplemental appropriations and other nondiscretionary increases such as those arising from the recent exchange rate realignments, as well as appropriations required to finance U.S. participation in international conferences and activities which arise subsequent to the enactment of this legislation.

Mr. Chairman, section 105 is very important to us. Last year the Congress granted us a similar authority for our 1973 authorization and it enabled the Department to request additional funds in 1973 to meet the increased costs resulting from the devaluation of the U.S. dollar.

Mr. Chairman, our request has been limited to the minimum amount necessary for the proper conduct of the Nation's foreign affairs through the Department of State. However, since our request does not provide for contingencies it becomes all the more important that we have the type of flexibility requested in sections 104 and 105, to manage our resources and allow us to respond to the changing needs of foreign affairs activities.

The assistant secretaries and other senior officers are prepared to discuss in detail the areas under their respective responsibilities.

Together we will be pleased to answer any questions the committee may have regarding the Department's requests.

Thank you, Mr. Chairman.

[Mr. Tarr's prepared statement follows:]

STATEMENT OF CURTIS W. TARR, ACTING DEPUTY UNDER SECRETARY OF STATE  
FOR MANAGEMENT

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Thank you, Mr. Chairman.

Mr. HAYS. We have a roll call going on, and with this new system we can go down and be back within 5 or 6 minutes. We will take a recess.

[A short recess was taken.]

Mr. HAYS. Mr. Tarr, you are currently holding down two jobs. And I know when I talked to Mr. Macomber, many times he thought there ought to be two people holding down the one job of Under Secretary for Management.

How much time do you devote to this job? I am a little concerned about this administration. It has dozens of people apparently, holding down two or three jobs. Either the jobs do not warrant one person in the beginning, or else they are not being managed properly now. I am just curious to know which it is.

Mr. TARR. Mr. Chairman, I think it is more than one man should be expected to do. I have spent much more of my time since Mr. Macomber began the process of appearing before the Senate committee for confirmation and all, on the management job than I have on the security assistance job. But this has not all been productive time, obviously, because it takes a long time for someone to find out enough of the fundamentals in order to react to some of the substantive questions.

I hope that I will be able to learn enough so that I can make some contribution on this job, but there is no question that a decision will have to be made where the Secretary wants me to work.

I have always thought that the security assistance job, while important, was something less than a full-time challenge for someone, and I have always thought that it was not a permanent job in the structure of the State Department, simply because we are phasing out some of these security assistance programs. The time will come when we may have some residue of a program in security assistance, but it still will not require anything like a full-time contribution of a person.

Right now I have difficulty keeping up with both assignments.

Mr. HAYS. How many of our embassies are headed by career officers? Do you have a figure on that?

Mr. TARR. We were asked by the Senate to provide them at that time with a figure.

Perhaps you would like to have this in the record.

Mr. HAYS. Do you have it? Can we have a copy of it? We can just put it in the record, but could you just give us a brief answer?

Mr. TARR. The answer has to be in terms of noncareer ambassadors and the posts to which they are assigned.

Mr. HAYS. I see.

Mr. TARR. As for the remainder, except for a few openings being held by career ambassadors, there are 28 on the list. The nations in which noncareer ambassadors now are installed are the following:

Afghanistan	Robert G. Heumann.	Jamaica	Vincent de Roulet.
Argentina	John Davis Lodge.	Japan	Robert Stephen Ingersoll.
Australia	Walter L. Rice (Green, career, has not taken his oath).	Luxembourg-Netherlands	Dr. Ruth L. Farkas.
Austria	John P. Humes.		J. William Middendorf II.
Belgium	Robert Strausz-Hupe.	Norway	Philip K. Crowe.
Canada	Adolph W. Schmidt.	Romania	Leonard C. Meeker.
El Salvador	Henry E. Catto.	South Africa	John G. Hurd.
Ethiopia	E. Ross Adair.	Spain	Adm. Horacio Rivero.
Finland	V. John Krehbiel.	Switzerland	Shelby Davis.
France	John N. Irwin II.	Trinidad and Tobago	Anthony D. Marshall.
Great Britain.	Walter H. Annenberg.	Turkey	William B. Macomber.
India	Daniel P. Moynihan.	Uganda	Thomas Patrick Melady.
Iran	Richard Helms.	Vietnam	Ellsworth Bunker.
Ireland	John D. J. Moore.		
Italy	John A. Volpe.		

Mr. HAYS. Those are noncareer?

Mr. TARR. These are noncareer.

Mr. HAYS. Would you be able to give us for the record the campaign contribution of each one of these people?

Mr. TARR. I don't know whether we will be able to or not.

Mr. HAYS. I guess my staff can find it.

I want you to know that I do not have a thing about every ambassador having to be a career ambassador. I believe that sometimes a noncareer ambassador can do as good a job or in some cases even a better job in a particular situation than maybe a career man could.

I think, for example: Adolph Schmidt in Canada is extremely well qualified to be an ambassador. Some of the others I have some doubts about. Mr. Macomber certainly ought to be as good as any career person, and better than many, in my judgment.

Last year, Mr. Tarr, the Congress authorized \$289,453,000 for administration in foreign affairs. On page 4 of your budget in brief, the appropriation is \$301,350,000, \$11,897,000 over the authorization.

How do you account for the appropriation being larger than the authorization?

#### STATEMENT OF RICHARD W. MURRAY, DEPUTY ASSISTANT SECRETARY FOR BUDGET AND FINANCE, DEPARTMENT OF STATE

Mr. MURRAY. Mr. Chairman, I am Richard Murray, Deputy Assistant Secretary for Budget and Finance.

The general provision, Mr. Chairman, included in the Authorization Act last year which permitted us to seek funds for such things as Federal salary increases and other nondiscretionary operating

expenses, is the reason for those increases. They were supplemental appropriations requested and approved by the Congress for the Pay Act that had occurred, the dollar devaluation expenses, and for items of that nature.

Mr. HAYS. In other words, that corresponded to section 105 of the bill that you sent up here this time?

Mr. MURRAY. It was quite similar; yes, Mr. Chairman.

Mr. HAYS. That is the answer I wanted to hear. I wanted to get it in the record.

We have had another devaluation of the dollar? What effect is that going to have on your next fiscal year?

Mr. MURRAY. At the present time we had prepared budget amendments for fiscal year 1974 to cover the cost of that dollar devaluation, as well as the full year costs of the Pay Act that was enacted in January.

Mr. HAYS. Are those reflected in the bill that you sent up here?

Mr. MURRAY. They are not so reflected.

Mr. HAYS. Why would they not be? The Pay Act was enacted in January and you did not get a bill up to me until the last few weeks.

Mr. MURRAY. The authorization that we sent up here, Mr. Chairman, is tied to the 1974 budget that was submitted by the President in January.

Mr. HAYS. It would be much simpler, would it not, for you to make this presentation now and get it in the act, because I do not think the committee is going to give you an open-ended authorization.

Mr. MURRAY. Without the proviso that would permit us to make these adjustments, we would certainly prefer to amend these figures.

Mr. HAYS. Would you say before we have another hearing you would be in a position to do that?

Mr. MURRAY. Yes, sir.

Mr. HAYS. Page 19 of the presentation document called Request for Authorization which you sent up shows 54 additional positions overseas for the next fiscal year.

I have been hearing a lot of stories about how you are cutting back on your personnel. If this is true, what do you need 54 additional positions for?

Mr. TARR. Mr. Chairman, the additional positions requested for overseas for next year are for consular activities, where the visa workload and other types of consular activities are increasing and have been steadily increasing. That is the purpose for the additional positions that we are requesting under "Salaries and Expenses."

Mr. HAYS. Will your area officers be prepared to support this in detail if that comes up?

Mr. TARR. They should be; yes, sir.

Mr. HAYS. In section 104 of the bill you sent up and section 103 of the bill I introduced, you want a transfer of appropriation authorization. I was not clear about why you wanted it and I didn't want to strike it out on my own. So, could you tell us why you want it?

Mr. TARR. Mr. Chairman, my understanding of the reason that this was put in here was so that flexibility between the five subparagraphs under section 101 could be maintained for the kinds of contingencies for which there is no other budget source.

Mr. HAYS. Where did you come up with this idea from?

Mr. TARR. It was before my time.

Mr. MURRAY. Mr. Chairman, it originated in the Department of State. I can't pin it down as to exactly where.

Mr. HAYS. This subcommittee gave it to building programs, and I wondered whether that is where you got the idea from.

Mr. MURRAY. It didn't come to us from the buildings program.

Mr. HAYS. We have been doing this in the buildings program for several years.

Mr. MURRAY. It did not come as a direct result of the hearings that we had before you on the buildings program.

Mr. HAYS. We have been doing this in the buildings program for several years.

Mr. MURRAY. That is what I was going to say. We have been aware of the existence of it.

Mr. HAYS. So you could, if this were in existing law, shift up to 10 percent. Is that what you are asking for?

Mr. MURRAY. We have not asked for a specific percentage. We asked for the unused balance, but a percentage would be just as good.

Mr. HAYS. I would not be willing to give you anything unless it were tied down to a percentage, because otherwise I think your line item appropriations would be completely meaningless. And I am not very much of a fellow to go through a wheel-spinning motion when it does not have any real relation to what we are doing.

Mr. MURRAY. Mr. Chairman, a provision similar to the one in the buildings program would be very helpful to the Department to provide a limited degree of flexibility.

Mr. HAYS. I would not have any objection to a 10-percent degree of flexibility. I think it makes some sense.

I have one final question at the moment: How effective is the grievance board under Mr. Simkin? Do you have any ideas on that, Mr. Tarr?

Mr. TARR. Mr. Chairman, I have been looking at that because obviously these matters under personnel are among the most important that are in my new area of responsibility.

My judgment at this point is that the grievance board is working quite well; not only the board itself, but also the informal consultation that takes place before a matter might ever come to the board, in which, according to my layman's eye, it appears that many cases are settled without actually coming up to the grievance board itself.

Mr. HAYS. Do you hear much complaint down there now?

Mr. TARR. Well, I think that the complaint would come through organized channels more than informally in the halls of the building. And I am sure that there will continue to be some complaints on the part of AFSA, although they have not represented them to me as yet.

The only thing that I can go by are the statistics of cases that are settled successfully before coming to the board or as a result of board action.

Mr. HAYS. Mr. Fraser, any questions?

Mr. FRASER. Mr. Secretary, after the elections, were there not negotiations between AFSA and the Department as to a grievance procedure?

Mr. TARR. There are negotiations going on now; yes, sir.

Mr. FRASER. They are not settled?

Mr. TARR. They are not completed yet.

Mr. FRASER. How are they progressing?

Mr. TARR. My understanding is that AFSA as a matter of principle, wants to negotiate on whether it will be the departmental position to seek legislation to establish a grievance procedure in law. And the Department would rather not take an official action that would, in fact, do this.

I must confess that I am not the best one in the Department to give you all of the information that you might like on this subject, but if you would like to pursue this, Bill Hall, who is the Director General of the Foreign Service, is the man who is in the front lines, so to speak and I would be happy to ask him to come.

Would this be helpful to the committee?

Mr. HAYS. We will see what the wishes of the committee are.

Mr. FRASER. Your position is Acting Under Secretary of State for Management—who was your predecessor?

Mr. TARR. Mr. Macomber.

Mr. FRASER. He seemed to be very conversant with these matters. You haven't been in that office for very long.

Mr. TARR. I have only been there for part of a month. Part of the difficulty is that I have other responsibilities as well, and I only have this on a temporary basis.

Mr. FRASER. You are also head of security assistance?

Mr. TARR. Yes.

Mr. FRASER. Is that your permanent assignment?

Mr. TARR. This is the job for which I have been confirmed. This is the job to which I have been appointed; that is right. I am simply acting in the management job.

Mr. FRASER. Your expectation is that you will be replaced in that position?

Mr. TARR. In the management job? I really don't know. I explained to the chairman that I presume it depends on the Secretary's wishes and the President's wishes. It depends probably on the future of the security assistance job. I am sure that when this larger committee set up that position they had feelings for what should be done and the degree to which those feelings have been satisfied, I cannot ascertain.

But I do not feel that the security assistance job over the long run, in years, is a permanent position. So I am not sure.

Mr. FRASER. The budget is up this year, is it not? Security assistance?

Mr. TARR. It will come up every year; yes.

Mr. FRASER. I meant there is an increase of half a billion dollars in military assistance abroad over last year's amount.

Mr. TARR. Well, you see, last year we were funded on a continuing resolution, which was substantially lower than the funds that we sought. The funds that we speak for fiscal year 1974 are very close to what we sought in fiscal year 1973 and very close to what this House committee passed.

Mr. FRASER. I am looking at the page that lists the various offices or bureaus. But security assistance is not a separate bureau or office?

Mr. TARR. It is under the Office of the Secretary. My salary comes out of the first line, in the Office of the Secretary.

The people who do the staff work in security assistance are in our Bureau of Political-Military Affairs. So that actually, all the work that is done in security assistance is not represented in my immediate office.

Mr. FRASER. I see two headings in the general listing. One is Security and Consular Affairs, and the other is Office of Security. Is that one of them?

Mr. TARR. No. Security and Consular Affairs is a regular bureau. It actually operates under the direction of the Deputy Under Secretary for Management. They are concerned with all our consular affairs throughout the world, and particularly in the area of passports and visas.

The Office of Security actually is a part of the Office of the Assistant Secretary for Administration. And this is concerned with security to State Department Foreign Service Officers.

Mr. HAYS. We will recess for another 5 or 6 minutes. This should be the last vote of the day.

[A short recess was taken.]

Mr. HAYS. Mr. Fraser, do you want to proceed?

Mr. FRASER. Mr. Secretary, before we left to vote, I was asking you about where the security assistance office was to be found in these lists in the presentation book. You were in the process of explaining to me that it did not involve either Security and Consular Affairs or the Office of Security. Where is it?

Mr. TARR. Did you understand what I meant by the Office of Security?

Mr. FRASER. Well, I understood it wasn't what I was looking at.

Mr. TARR. Now, my operation and my immediate offices listed under the Office of the Secretary. Also listed there is a Bureau of Political-Military Affairs. The Bureau of Political-Military Affairs provides the staff who do the work on security assistance. They also provide the staff who work on matters like the mutual balanced force reductions, the SALT talks, all of the matters in the Department of State that are similar to those matters handled by the Office of International Security Affairs in the Pentagon.

Mr. FRASER. Why are they not listed separately, since you have this listing of offices and bureaus? Military-Political Affairs is called a bureau. Could somebody answer that?

Mr. MURRAY. I think the best answer I could give, sir, is that in our budget presentation over the years historically has not been broken down in the various elements of the Secretary's office just the way it was done some years ago.

Mr. FRASER. Are there other bureaus located in the Secretary's office that are not listed?

Mr. MURRAY. The Bureau of Political-Military Affairs, I believe, is the only one, that is a bureau.

On page 1 there is an organizational chart that might help clarify it. Each of the Under Secretary's office are shown as part of the Secretary's office. They are all grouped together here.

Mr. TARR. Mr. Congressman, there is one other major office, and that is the Inspector General's office. That also is in the Office of the Secretary. In the future if this committee wanted us to, we can break those down.

Mr. FRASER. Is there any intention of downgrading or doing away with the role of the State Department in the administration of security assistance matters?

Mr. TARR. None whatsoever.

Mr. FRASER. There was a proposal that foreign military assistance be transferred to the Department of Defense.

Mr. TARR. Which we opposed vigorously, and which the President decided in our favor.

Mr. FRASER. The response you gave earlier went to how long we were going to have security assistance, and it made me wonder if that job was about to disappear.

Mr. TARR. Mr. Congressman, let me say this: As long as the U.S. Government is involved in grant and foreign military sales programs, the State Department will be vitally involved. My point is that in the future it is not likely that these programs will be of a sufficient size to warrant the full-time activities of a man at that level; that is my guess.

We have no interest whatsoever in giving up what we think are the valid concerns of the Secretary of State or an instrument of foreign policy that we think is as important as this one.

Mr. FRASER. That is the office that determines, for example, the question of military sales where there are concessionary procurements involved.

Mr. TARR. Yes.

Mr. FRASER. Is it your office that approves assistance to Greece at the present time?

Mr. TARR. We are the ones who clear the requests for credit to finance sales; yes.

Mr. FRASER. I suppose we will get into the program side of aid to Greece when we get the foreign aid bill?

Mr. TARR. We will, but not heavily, because our assistance to Greece in the future will not involve any grant funds.

Mr. FRASER. I understand. They declined the grant.

Mr. TARR. Yes. It eliminated the grant programs.

Mr. FRASER. Would that decision also end the transfer of what is known as "excess stock?"

Mr. TARR. They can purchase excess stocks.

Mr. FRASER. In the same manner that they can purchase other equipment? They get the reduced price?

Mr. TARR. They would get the excess stocks at a price that was determined to be a fair price given the condition of the equipment.

Mr. FRASER. Will we be transferring any of that to Greece?

Mr. TARR. I do not know of any programs now that would involve major transfers. I had not heard of any that they would want. My guess is probably nothing major. They are in the process now of buying new items off the shelf in substantial quantities.

Mr. FRASER. That kind of terms are being offered to the Greek Government?

Mr. TARR. On the F-4 aircraft, which is the only major deal in which we are involved, they must repay the loan in 10 years. The interest rate was somewhat less than the cost of money to the U.S. Government.

Mr. FRASER. How is that calculated? Is that on a quarterly average?

Mr. TARR. No; I think it is every month. It is determined what the Treasury has to pay for money on that month, the cost of money might fluctuate somewhat but generally it is in the neighborhood of  $6\frac{1}{4}$  to  $6\frac{1}{2}$  percent.

Mr. FRASER. To what extent, in determining that, are you taking into account the nature of the Greek Government or what their current problems and practices are?

Mr. TARR. I presume you mean to what extent would we grant them the credit terms in the first place.

Mr. FRASER. Yes.

Mr. TARR. Normally a government would have no influence over the interest rate, for instance, or over the time that it would be repaid, because these are standard. We are very concerned with the form of government in Greece. We are very concerned that our policy toward the nation as expressed in this significant program would be such that it would help us to fulfill what our hopes are.

I think you could call us realists. There are some things that we can change and some that we cannot change. All that we find around the world is not to our liking. Some of these things that are not to our liking, we would hope to change, but we want to do it in a way that is constructive and not destructive.

You may want to talk with Mr. Sisco about this a little bit.

Mr. FRASER. I am interested in talking to you about it because you are in charge of this program, are you not?

Mr. TARR. I am in charge of this program but I think it would not be fair to say that I would ever make decisions of this type unilaterally. When we have an issue such as this one, we ask for advice from all of the major components of the department that may be concerned.

In this case, it would be two principal components. One would be our Political-Military Bureau. The other would be our Bureau for Near Eastern Affairs, which Mr. Sisco directs. They would come forward with a recommendation, and this recommendation I would look at very carefully.

It might be that if there were some divided opinions in the department, alternately the Secretary would be asked to decide. Obviously, all I do as Under Secretary for Security Assistance is to assist the Secretary, often to speak for him, but to do for him in his name what he is required to do under the Foreign Assistance Act, and that is to determine whether there should be programs, and if so, in what amount.

We go frequently to the Secretary with differences and for decisions. In the smaller cases sometimes I handle these differences myself, but if I think that the foreign policy of the United States is involved sufficiently, then I take it to the Secretary for an answer.

Mr. FRASER. Someone told me that the statement that Caramanlis made recently about the need to restore free government also suggested—I do not know if this is a correct characterization—that he now was tying us—perhaps for the first time—as being in the position of a supporter of the current government.

My understanding is that in the past his attitude toward the United States has always been a very friendly one. Are you aware of any of this?

Mr. TARR. I am aware of the statement, but I would rather not comment on it in detail. We respect him as an important figure, as a thoughtful man. Obviously we understand that there can be differences in any offices.

Mr. FRASER. In practice you do not really get into policy questions. Your service is more in a mechanical, coordinating role?

Mr. TARR. I would say that often I get into policy questions but others might think of me in more mechanical terms. I do not want to spend any time boasting about how much I do or do not do.

Mr. FRASER. As I understand what you are saying, though, in your administration of the security assistance program, you get your recommendations and then you go ahead. I gather that if the recommendations are to give favorable credit terms on military sales to Greece, you would go ahead and do it?

Mr. TARR. Well, that is not an appropriate assumption.

Mr. FRASER. I am using Greece as an example because it is of special interest and I assume of some interest somewhere in your department.

Have you made any independent inquiry with respect to where the U.S. interest really lies in our association with the Greek Government?

Mr. TARR. The situation with respect to Greece is a little bit difficult to comment on here, because the decision to go ahead with the financing of their aircraft was made before I came. There have not been any decisions with regard to Greece made since I have been Under Secretary for Security Assistance, except to determine what the level of their program would be for this year.

The only thing I can tell you in open session is that I think I had some influence on what was submitted to the President. That is all that I can say.

Mr. HAYS. If the gentleman will yield for a second, I will comment about the open session.

To hear the press tell it, we were doing all our business here behind locked doors. We have had a public meeting, and the gentleman sitting there up to this minute has been both the public and the press. And he is the only one who has deigned to come by and sit in.

We had another gentleman who just came in. But I think it is worthy of comment that, in spite of the outcry of the press, they are not very interested in what goes on.

Mr. TARR. There are other instances where a decision has come up while I have been there, where I had a considerable amount of influence. These would be times when certainly the foreign policy of the United States was directly involved.

But as I say, I am not particularly anxious to come here to boast.

Mr. HAYS. Sometime or other, Mr. Tarr, before these hearings are over, in executive session there will be some people who will want to question somebody very carefully about the whole Greek situation.

Mr. TARR. About—

Mr. HAYS. About our whole attitude toward the present Greek Government and our aid and our home porting business and the whole gamut there.

Mr. TARR. I think that Mr. Sisco is the man who is best qualified in the Department to react to these questions and he will be with you later this afternoon.

With respect to the more narrow area of security assistance, as I say, as far as Greece is concerned, the only issue that has come up since I have been the Under Secretary for Security Assistance, is whether we would, in fact, have a program this year for the Greek Government. We made our decision and submitted it to the President before the Greek Government made its decision.

Mr. FRASER. What you are suggesting is that they somehow learned what was going to happen and made the first announcement?

Mr. TARR. I would rather not comment.

Mr. FRASER. On the ending of grant aid to the Greek Government?

Mr. TARR. I would rather not comment.

Mr. FRASER. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Guyer?

Mr. GUYER. No questions.

[Short recess.]

Mr. HAYS. Thank you very much, Mr. Tarr. I believe those are all the questions we have.

I understood you wanted to go to another hearing; is that correct?

Mr. TARR. Mr. Chairman, I have to go up with Secretary Rush on the Senate side, and I am supposed to help him get ready for that. And if I could, I would appreciate being excused.

Could I add one statement with reference to the question of Mr. Fraser directed to me?

I think it is important in matters of security assistance to keep in mind also that our concerns in terms of policy are somewhat broader than the State Department alone. There are times when I make decisions involving disputes in the Department. There are other times when I make decisions involving disagreements among departments. These include principally the Department of Defense and the Department of State, but they could conceivably involve other departments as well.

We have interdepartmental meetings that include Treasury and CIA and some other agencies.

So it is somewhat broader in policy terms than just the State Department. Thank you, Mr. Chairman.

Mr. HAYS. Thank you, Mr. Tarr.

I do not know exactly how we got this order set up that East Asia would be next, but Mr. Sisco is here and if anybody has a hot corner, he does. We ought to hear from him next.

Mr. Sisco is Assistant Secretary of State for Near Eastern and South Asian Affairs. We have a biography of him. I think everybody on the committee, with the possible exception of Mr. Guyer down at the end there, a new member of the committee and of Congress, has met him.

Do you have a statement, Mr. Sisco?

#### STATEMENT OF HON. JOSEPH J. SISCO, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Joseph John Sisco of Maryland was sworn in as Assistant Secretary of State for Near Eastern and South Asian Affairs on February 11, 1969.

Born in Chicago, Illinois, on October 31, 1919, Mr. Sisco was graduated from Knox College in 1941 and thereafter served as an infantry officer with the U.S. Army. At the end of World War II, he resumed his studies, receiving the M.A. and Ph.D. degrees at the University of Chicago, specializing in the Soviet affairs area.

Mr. Sisco joined the Department of State in 1951, and the Foreign Service in 1956. He has served as a political adviser on successive United States Delegations to the United Nations General Assembly since 1951. In 1967, he served as U.S. Representative to the Fifth Special Session of the General Assembly dealing with the Middle East crisis. He has also on occasion served as U.S. Representative in the UN Security Council.

Since September 1965, Mr. Sisco has been Assistant Secretary of State for International Organization Affairs. In this capacity, he dealt with many of the problems of the Near East and South Asia as they were considered at the U.N.

He was named by President Nixon early in this Administration as United States negotiator on an Arab-Israeli settlement.

In 1960, he received the Department's Superior Service Award. In 1966, he was named by the National Civil Service League as one of the ten outstanding career officers in Government service. In 1969, Mr. Sisco was promoted to Career Minister in the Foreign Service and in 1971 he received the Rockefeller Public Service Award.

#### BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS—FISCAL YEAR 1974 BUDGET SUMMARY

The budget proposed by the Bureau of Near Eastern and South Asian Affairs under the major function "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals \$19,429,500. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 109 domestic and 427 overseas American positions included and 736 local positions, all direct.

Including closed or limited staff posts due to diplomatic break in relations, we have 43 posts in 24 countries. There are 24 embassies, 12 consulates general, 6 consulates and 1 embassy branch office.

There is an increase of \$750,900 over fiscal year 1973, which is a net of \$843,900 increases and \$93,000 decreases.

##### Increases include:

Wage increases—American and local.....	\$261,100
Price increases.....	170,000
Within-grade increases—American and local.....	185,400
Additional costs for new positions authorized in 1973.....	85,900
Additional costs for 1 American and 3 local consular positions.....	54,600
Additional costs for one new post and increased commercial travel .....	86,900

Total increases.....	843,900
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##### Decreases include:

Installation costs for new positions authorized in fiscal year 1973 .....	93,000
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Total decreases.....	93,000
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Net increase.....	750,900
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The budgeted amount of \$19,429,500 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (61.1%).....	\$11,873,300
Local employees' salaries and related costs (includes retirement and payment) (19.1%).....	3,705,900
American allowances (includes education, housing and temporary lodging) (4.7%).....	917,800
Rents, telephone, telegrams and utilities (5.95%).....	1,154,300

Over 90 percent of our expenses are salary costs, allowances, and rent and utility costs. The remaining categories are:

Travel and transportation of persons (includes consultation trips, post-to-post details, rest and recuperation travel, medical, educational and within-area travel) (1.8%).....	\$356,500
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight and similar costs) (1.3%).....	247,900
Building operations, maintenance of equipment and automobiles; official residence expenses; and security guards (2.5%).....	486,000
Supplies (includes office, medical, security, automotive, and clothing Marine Guards) (2.6%).....	480,900
Equipment (includes furnishings for office and household; office machines; security; telephone and medical equipment; and books and maps) (1.0%).....	201,900

NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DIA

NEAR EAST AND SOUTH ASIA	TOTAL ALL AGENCIES		STATE						AID				USIA		PEACE CORPS				AGRICULTURE				COM		
			TOTAL		DIRECT		REIMB		DIRECT HIRE INCL PASA		CONTRACT		STAFF		VOL.		CONTRACT		STAFF		CONTRACT		STAFF		
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	
Afghanistan	403	600	36	67	21	24	15	43	68	190	62	247	6	18	7	1	218	3	77	-	-	-	-	-	-
Arab Republic of Egypt	10	70	9	59	6	47	3	12	-	-	-	-	1	7	-	-	-	-	-	-	-	-	-	-	-
Bahrain	5	1	5	1	3	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bangladesh	42	556	19	116	10	14	9	102	16	39	2	327	5	74	-	-	-	-	-	-	-	-	-	-	-
Cyprus	61	121	58	106	9	13	49	93	-	-	-	-	3	15	-	-	-	-	-	-	-	-	-	-	-
Greece	179	613	127	327	37	87	90	240	-	-	-	-	49	270	-	-	-	-	-	1	3	-	3	-	-
India	366	1488	135	583	57	127	78	456	52	264	18	69	39	459	8	4	102	-	14	7	18	-	6	-	-
Iran	242	257	76	148	37	54	39	94	-	2	-	-	16	80	5	11	140	1	13	1	2	-	1	-	-
Iraq (USINT)	2	12	2	12	2	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Israel	68	179	59	92	42	56	17	36	-	1	-	-	6	35	-	-	-	-	-	1	2	-	-	-	-
Jordan	32	65	28	39	17	15	11	24	3	14	-	-	1	12	-	-	-	-	-	-	-	-	-	-	-
Kuwait	25	26	22	23	13	20	9	3	-	-	-	-	3	3	-	-	-	-	-	-	-	-	-	-	-
Lebanon	111	228	81	90	40	47	41	43	1	4	-	-	18	129	-	-	-	-	-	2	1	-	-	-	3
Nepal	250	244	34	43	13	11	21	32	36	135	9	4	4	29	6	14	153	8	16	-	-	-	-	-	-
Oman	4	3	4	3	2	3	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan	152	653	78	250	32	58	46	192	50	227	5	3	17	152	-	-	-	-	-	1	2	-	-	-	-
Saudi Arabia	44	101	39	92	21	52	18	40	-	-	-	-	5	9	-	-	-	-	-	-	-	-	-	-	-
Sri Lanka (Ceylon)	34	82	26	49	15	15	11	34	3	2	-	-	5	30	-	-	-	-	-	-	-	-	-	-	-
Turkey	175	343	79	111	48	59	31	52	54	92	12	59	17	75	-	-	-	-	-	1	3	-	-	-	-
United Arab Emirates	6	3	6	3	3	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yemen	8	5	7	5	5	5	2	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
TOTAL	2219	5650	930	2219	433	723	497	1496	283	970	108	709	195	1397	27	30	613	12	120	14	31	-	10	-	3

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

DIPLOMATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

[illegible]





Mr. SISCO. No, sir; I don't. I am ready for questions, Mr. Chairman. I might add: If we really want to get into a number of these policy questions you raised with Curt Tarr, Mr. Chairman, let me suggest that, if it were possible for us to go into closed session so that I can give you the most frank answers, then we could look at the record afterward; because I assume at some point—I don't recall last year whether the record was made public, Mr. Chairman. I think it was. Yes, it was.

Mr. HAYS. It will always be made public but there is also an opportunity to handle it differently if there are any security problems.

Mr. SISCO. I could do it either way. I can give straightforward and direct answers. I think from my point of view and perhaps for you it would be better if we did go off the record. Then I would have an opportunity to sanitize the testimony. But I am in your hands, either way, as far as that is concerned.

Mr. HAYS. Suppose we proceed the way we are for a minute or two. If you get too many questions you can't answer I am going to ask unanimous consent to go off the record.

Mr. FRASER. I am going to have a time problem because I have a 3:30 appointment.

Mr. HAYS. I do not mind deferring to you if you have a time problem. I am going to be here until we are finished.

Mr. FRASER. Fine.

Mr. HAYS. Go ahead.

Mr. FRASER. Your jurisdiction is the Middle East?

Mr. SISCO. And South Asia and the eastern Mediterranean. So that includes Greece, Turkey, and Cyprus, as well as the whole subcontinent and the Middle East and Israeli area.

Mr. FRASER. The term "Southeast Asia" doesn't exactly fit.

Mr. SISCO. I am not in Cambodia and those countries. I have enough troubles as it is.

Mr. FRASER. The reason I have been asking Secretary Tarr about the Greek situation is that there have been some things that have happened recently over there that have underscored the nature of that Government. The arrest of the lawyers in Athens—they are apparently being held incommunicado and there are extensive reports of torture. When some individuals with international reputations went to visit, the Greek Government told them it was none of their business—which I thought might be fair enough, but it seemed to me that perhaps our military would not be any of their business either, and we might find it reasonable to terminate all military aid.

Mr. SISCO. Well, let me say this, and I am intimately involved in this question of the six lawyers. I would say this to you: We made it very, very clear to the Greek Government as to our position on the issue of fair treatment of detainees and the application of due process of law. But candidly, Mr. Fraser, there is very little that the United States can do to seek the release of prisoners in other countries—and here I would say in Greece and elsewhere—who are not American citizens.

We really have a handle, if I can put it that way, any time an American is involved. In this particular instance, six Greek citizens were involved. And, as much as you and I might disagree with whatever the

process might be, it is very difficult for the United States—and I think you would appreciate this—to impose the standards of our own legal process on other governments.

And I think certainly this is relevant with respect to the Greek Government.

What we did, for example—because I was very interested in this—the officers of our Embassy in Athens, including our Ambassador, recently approached the Greek officials on behalf of 2 U.S. citizens. There you are talking about Americans and U.S. citizens, and we have a real basis to go to the Greek Government.

This was a case where two attorneys, one by the name of Butler and another by the name of Morris Abram, whom I know very well. Abram served on a U.N. General Assembly delegation, and is a very prominent lawyer, and a first-rate fellow.

These two gentlemen were representing the International League for the Rights of Man and the International Commission of Jurists, and they wanted to discuss the case of the imprisoned Greek attorneys with Greek officials.

We made our views known clearly. The Greek Government chose not to meet with Mr. Abram and Mr. Butler. I will tell you what my philosophy is and I do not mind saying this in open session because I have made it very, very clear.

I have always felt it is in the interest of the respective government to make its particular case on a given issue, whatever it is, particularly where prominent and high-level Americans of this sort are inquiring. I would say to you with equal candor that the Greek Government is very sensitive about its sovereignty. We have in a number of these cases made our point of view very clear. But I can't really report to you any real success in instances where the persons involved are Greek citizens and do not have American citizenship. The Greek Government just hasn't gone along with our point of view.

I think the Greeks are very clear and we have asked our Ambassador to make it clear—and I am satisfied, based on his reports, that he has done it—that, as a result of the Embassy's efforts, under instructions from Washington, we underscored the growing concern among a number of distinguished Americans on the issue of these reported violations of elemental human rights.

I think, Mr. Fraser, we have done what we can. That is the way I would summarize it. That is the picture in this particular case.

We have not succeeded. And as I say, I think they feel very, very strongly that this is a matter dealing with their own citizens. This is where the issue stands.

MR. FRASER. We have plowed this ground before. I accept your conclusion that we cannot do much to influence them.

MR. SISCO. I think we would be remiss if we didn't try. That is the point I am really trying to make.

MR. FRASER. And I accept that you tried. The only point I am concerned about is that in the eyes of many Greeks we seem to be a principal supporter of that Government. And whether we are, in fact, or not, I do not think that Greece deserves to have a special relationship which is implied by giving them concessionary terms on sales of military equipment.

MR. SISCO. Can I say a word on that?

If you were to relate the question of sales of military equipment, Mr. Fraser, to the question of how satisfied or how dissatisfied we may be with internal developments, I think it is the wrong relationship to look at. Greece, regardless of whatever the internal situation is, is basically a loyal NATO ally. You have heard this argument before.

What we are doing by way of military assistance, what we are doing by way of military security, does not reflect either approval or disapproval of the internal situation in Greece. This is a matter for the Greeks. We are doing it because there are certain NATO commitments. We are doing it because they are a significant element on the southern flank of NATO, as is Turkey.

And whatever we are doing by way of military security is really basically within the framework of the common objective of NATO allies. If there is a rationale, that is it. That is the basic rationale for doing what we are doing.

So that, on this question of internal developments, I think the Greek Government—I hope it does, and we have tried to make it clear—I hope they understand our concern about the lack of sufficient movement toward representative government in that country. But in pursuing this whole question of military assistance, we have done it on the basis of the overall strategic considerations that are involved in the NATO alliance.

I am sure there are some people, simply because of this military relationship—I think, Mr. Hays, you mentioned, for example, the home-porting arrangement—I am sure that, because of some of these security arrangements that we have with Greece within the NATO framework, there are those who read this as an endorsement of the Greek Government.

And that is not the case. This is a question of where we have felt, one, the question of the kind of government the Greeks have is really their business; second, I am struck, over the years, as to how little we can influence this situation, whether we are talking about Greece or other forms of government in other countries.

I think, again, we would be remiss if we hadn't, over the years, and if we don't continue, to remind our Greek friends that we would like to see more movement toward representative government. I think we would be remiss if we don't do this regularly.

That is the best explanation I can give you as to the policy, and I think you have heard me on this before.

Mr. FRASER. I have. And, inasmuch as NATO was aimed at the preservation of free government, it seems to me you are on a very poor foundation to argue that aid to Greece should proceed as with any other NATO member.

But let me also make the point—and this is more directly relevant to the hearing here. In my judgment, based on the hearings I read on the home-porting issue. I think the State Department has performed miserably. The impression I have from those hearings is that it was a patch job in terms of inquiry and investigation. The State Department never did exercise any real influence on the decision. And it seemed to me the decision was a big mistake.

I do not think we got our money's worth out of the State Department on that issue.

Mr. SISCO. I think otherwise—and I know—I went through this last year—but I would be very glad to put in the record what I consider to be the revelant State Department role on this.

I think the decision really had to be taken on this basis. I don't think anybody questioned what home porting is and was. We are trying to maintain recruitments in the Navy. We were looking for an arrangement that would allow Navy men and their families to home port in the Mediterranean area, as a way of keeping up morale and keeping up enlistments.

Mr. FRASER. The fact is that this is what the Navy was doing.

Mr. SISCO. I think it is a valid objective.

Mr. FRASER. I am not questioning that, but the question of going to Greece clearly had political implications.

Mr. SISCO. And we realize the political implications. I think you make the argument that, if there were reasonable alternatives, other alternatives might have been preferable. As we canvassed the situation we didn't feel that there was any greater—

Mr. FRASER. As far as I was concerned, that was just a sham. The inquiries were not in depth. When we tried to get information out of the Department of Defense, they would not give it to us. And I am convinced that this was just a put-on, and that they had first made the decision they wanted to go to Athens. There was nothing the State Department did that contributed in any significant way to challenging that, despite the obvious political implications.

And this worries me about the whole relationship between the Pentagon and the State Department. It seems to me the Pentagon still runs the State Department in many major policy areas. I am sorry this is happening. This is why the State Department, I think, gets the reputation it sometimes gets, and I think undeservedly so. I think the Pentagon is running the show in some areas. And I think they showed it on the home-porting matter.

Mr. SISCO. I have nothing to add to what I have said. I don't think I am going to be able to convince you.

Mr. HAYS. Mr. Sisco, did you make any investigation of any other potential facilities in the Mediterranean besides Greece?

Mr. SISCO. From a political point of view, yes; Italy was one other. There the ruling factor, or the overriding factor was, if I recall, the technical considerations in terms of space and how much room could be developed for the kind of program that the Navy has had in mind over the last year. If I were to compare, from a political point of view and to determine it strictly on a political point of view, I think one could make a fairly reasonable argument that one might have opted for Italy as against Greece. But that is not the only consideration. The facilities available there, given the port situation, were not sufficient; so, it is a question of balancing all of the factors. And where it came out was Athens.

Mr. FRASER. Which is where it began.

Mr. HAYS. What about Malta; was that investigated?

Mr. SISCO. I don't recall.

Mr. HAYS. That was at one time one of the biggest naval bases in the world. And the only thing you would have had to do there is pay a little more, maybe.

Mr. SISCO. Mr. Hays, you know as well as I do the difficulties that we have had over the Malta situation in the last few years.

Mr. HAYS. But if you had upped your giving price by \$10 million, I think that would have wiped away a lot of your difficulties.

Mr. SISCO. Again, I think you could make the case; but if you look over the next decade and say, "All right, we have made an arrangement, whatever the arrangement is, where we are going to be more sure of this arrangement over the next decade"—I don't think Greece comes out very badly in that regard, when you begin to compare it with places such as you have indicated.

Mr. HAYS. Well, what about Spain?

Mr. SISCO. Again, that was another possibility; certainly.

Mr. HAYS. Was that explored by the State Department?

Mr. SISCO. I think we looked at Spain, as I recall. We looked at Malta. We looked at Italy; at Greece.

Mr. HAYS. I am just curious as to how much in-depth looking you did do.

Mr. SISCO. I am afraid Mr. Fraser doesn't quite give us the credit that I think we deserve on this one, but we did an in-depth look at this thing in terms of what the alternatives were.

Mr. HAYS. Whenever you people do an in-depth work you have an awful lot of papers, don't you?

Mr. SISCO. Well, I am afraid we have an awful lot of papers.

Mr. HAYS. Do you have any papers that the committee could look at?

Mr. SISCO. I will go back and see if we have. I can't say one way or the other on the tip of my tongue.

Mr. HAYS. That would indicate to me, if you had a lot of papers, that you really did an in-depth study on it. If you didn't, you didn't. If I know the State Department well enough, you don't investigate daylight saving time without writing seven or eight hundred pages.

Mr. SISCO. Let me look into that and see what I come up with, Mr. Chairman.

Mr. HAYS. I have some questions on some other areas. What are our relations with Bangladesh, at the moment?

Mr. SISCO. I have just come back from Bangladesh. I was just there last week, as a matter of fact. My impression is that this is a new emergent independent country.

Mr. HAYS. That is my impression too, without going there.

Mr. SISCO. Well, I hope that I will have something a little more profound than that in about two more sentences: This is a newly emergent, developing country that is going to have a great deal of difficulty maintaining itself without a very considerable amount of assistance.

In the aftermath of the war, you had an almost complete wrecking of the transportation and distribution system in the country. You have there a very inexperienced administrative apparatus. These are new people that have taken over the running of the Government. You have got all of the problems of a developing country.

Now, our interests there, Mr. Hays, are minimal, in my judgment. Our interests are really to try to be helpful in terms of stability in the entire subcontinent. That is, a situation where Bangladesh, India, and Pakistan get along with one another. What they have done, which has been rather remarkable in the aftermath of the Indo-Pakistan war of a year and a half ago: they have actually been talking to one another,

and Pakistan and India have achieved withdrawal of forces. And, on the day before we arrived in Bangladesh, Bangladesh and the Indians put forward what we considered to be a very decent proposal to try to resolve the whole question of the release of 90,000 Pakistan prisoners that are being jointly held by Bangladesh and India.

The reason why I mention this is that up to that point Bangladesh had said to the Pakistanis: "Before we are willing to talk about the release of prisoners of war, you, Pakistan, have to recognize us as an independent state."

Pakistan has been unwilling to grant this recognition until this POW issue has been resolved. So we found this proposal a step forward in this sense; that the Bangladesh have gotten off the fundamental position of saying, "We won't talk about the POW issue until you recognize us." They have said, "We will go ahead and talk about this issue." And my hope is that, as a result of negotiations over the coming months, this problem will be resolved.

But as I say, the subcontinent is very far away. I think our interests are marginal. I think the Nixon doctrine is quite applicable—namely, we ourselves don't want to become involved. If we have left, for example, the negotiation of all of these disputes in the aftermath of the war to the principal parties concerned, whatever assistance we contribute to this area is largely an assistance in the first instance as emergency relief in the aftermath of the war, but it is assistance to try to help people stand on their own two feet.

In other words, the notion of helping people who want to help themselves in this respect. And that is basically what I would say about Bangladesh.

Mr. HAYS. Do you have any idea how much money we have granted to India in the last 10 years?

Mr. SISCO. I do. Since independence—I don't have the last 10 years, but since independence—it is somewhere between \$8 and \$9 billion, which is a large amount of money.

Mr. HAYS. That may be marginal to you, Mr. Sisco, but out where I come from that is a fair-sized amount of money, especially in view of the fact that this administration has no money for housing for the elderly. It has no money, it says, for hospital beds under the Hill-Burton program. It wants to cut back veterans' pensions. It wants to cut back on everything for the American civilian population.

Now, if that is a marginal area, is there any way to get it even more marginal than it is?

Mr. SISCO. I think so. You are going to find, Mr. Hays, that our aid to India over the coming years is likely to be considerably smaller than what it has been in the past.

Mr. HAYS. Well, if my vote is worth anything it will be an awful lot smaller. Don't you think if India wanted to free those prisoners they could do it tomorrow? What is the political implication of their dragging their feet on this? What does Mrs. Gandhi have to gain out of it?

Mr. SISCO. Well, first, let me say to you, yes, of course, they could free them tomorrow if they wanted to.

I think, of course, this is linked with a number of other issues. I think, up to the time they made this proposal the other day, it was hoped that this in some way or other might have an influence on Pakistan's policy of recognizing the reality in the aftermath of the Indo-Pak War; namely, recognizing Bangladesh.

My guess is that the Indians and the Bangladesh have come to the conclusion that this sort of influence could not be exercised—that is, by linking the POW issue and the recognition issue. And I must say I welcome the proposal they made, which delinks the question of recognition and the POW issue.

So my hope is that maybe they can get on to solve this problem.

On the whole I would not have guessed that as much progress could have been made between the three, after they had had this bitter war, as has been made. You know, you look at this situation and, in a little over a year after the war, they have actually agreed on withdrawal of forces.

Here we are, by way of an analogy, in a war in the Middle East between the Arabs and the Israelis, in 1967, and we are still talking about withdrawal of forces as based on the November 1967 Security Council resolution.

Mr. HAYS. But, Mr. Sisco, your analogy, to have any kind of accuracy and validity, has to go beyond that. At least they have begun talking to each other, and the Arabs have never been willing to sit down and talk up to now.

Mr. SISCO. You are absolutely right and I would include that in the analogy, because I think you and we are in total agreement. We think that, if any progress is going to be made on the Arab-Israeli dispute, they have got to sit down and talk. And, in fact, what we proposed a year ago, we proposed indirect negotiations between Israel and Egypt, under the auspices of the United States.

The Israelis in February of last year agreed to negotiations without preconditions. The problem has been that the Egyptians have been unwilling to enter into these negotiations without preconditions. They had been seeking a prior Israeli commitment to total Israeli evacuation from their territory before they start the negotiations.

We have said candidly that this is not achievable; that no government is going to give away their position before any negotiations really begin. So, basically our position has been the one you have just expressed; namely, that the key to the Middle East is negotiations. And I think you have put it very well. Negotiations in the subcontinent demonstrate in the aftermath of the war how these problems really have to be solved.

And while I have said something positive, as I have, about the subcontinent, it is because of the fact that at least you have got to give or we would give these three countries the minimal credit that they have enough sense to realize that the way to solve these problems is to really sit down and talk about them.

Unfortunately, for all that we have tried to do in the Middle East, we haven't really convinced the people concerned to really sit down and negotiate.

Mr. HAYS. I have some other questions, but I want to share the time here. I will come back later.

One final question: Aren't about 20,000 of these so-called prisoners of war, in India and Bangladesh, civilians who never really were involved in the war in any way, shape, or form?

Mr. SISCO. That is right.

Mr. HAYS. Just people who were caught up in it?

Mr. SISCO. Caught up in it. You are right, absolutely.

Mr. HAYS. Why would not Mrs. Ghandi let them go?

Mr. SISCO. As I say, I think this got caught up, Mr. Chairman, in their focusing on first things. And I think the first thing that they focused on was: How do you defuse the situation between India and Pakistan?

Mr. HAYS. Yes, but the Indians—I remember very vividly about how they were going on about how they didn't have enough money to feed their own people and how they have been tapping the till with us for money for these refugees.

Did you ever think about saying: "Well, if you can't afford to feed them, let them go, because we are not going to do it for you"?

Mr. SISCO. We did, and, in fact, I would say to you that this consideration, of the burden that these people have become—I think this is a factor which the Indian Government increasingly over the months have had to give way to. I think it is one of the factors in my judgment—it is a sheer guess—it is one of the factors in my judgment that led them to this recent decision to make this proposal, which is a step forward.

There are a lot of other considerations, but certainly this is one of the considerations.

Mr. HAYS. Mr. Guyer.

Mr. GUYER. This is maybe not too relevant, Mr. Sisco. We have a tremendous appetite for fuel and I am told that one of the richest oil countries is Saudi Arabia and others in that areas who control the very vital supply that we are going to have to ask for.

Is our relationship good in that area? Are we going to be on the auction block with other countries, having to bid on this with strangers, or do we have a little friendship there that might be very valuable to us as we go into this next couple of years? Because it is going to be really rough, from what I can understand.

Mr. SISCO. My answer is a very positive one and I am glad you raised this, because it gives me an opportunity to say some words, if I may. I think basically in this country we have all of the resources that we are ever going to need for our energy in the long run. And I stress "the long run."

Now, obviously this is going to take a great deal of investment, and I think the President's message points in the direction in which we need to move on an all-resource basis.

I have a very strong feeling, Mr. Congressman: It is not in our interest to be overly reliant on any one source of energy in any one area of the world, because obviously our security is involved. Important financial economic questions, the whole balance-of-payment question, is involved. And for this reason—and now I come to your question—we think it is very, very important for the United States to continue to make every effort that is feasible to try to solve this dispute, which obviously poisons the atmosphere, but, at the same time to pursue a maximum policy of friendship with all of the countries in the area.

Sure, we have a special relationship with Israel. This is known historically, but our overall historical and political interests go beyond any one country. You look at the gulf. The gulf is of major importance to us. I have a chart which I put into the record last year and I would be very glad to put it in the record this year. It shows the oil reserves in these small places such as Bahrain, and Oman, Qatar, the United Arab emirates. Among the United Arab emirates themselves,

the proved reserves are about 25 billion barrels. I will submit the whole chart, but this is just to give you an illustration. Of that 25 billion reserve, our piece of the action, with other countries, is 20 percent.

Mobil, Conoco, Buttes, Occidental, and Exxon. I could repeat—Qatar, as another case; Oman, Kuwait, Bahrain. It is very important for us to retain excellent relationships with a country such as Saudi Arabia, where half of the proven reserves are located. So, this is what we are precisely doing.

Mr. GUYER. One point there. What do they want? Is it hard cash or are they reinvesting in America for their end of the trade balance?

Mr. SISCO. Both statements are correct. American dollars are involved but we have adopted an across-the-board program saying to each of these countries: "We would like to see you invest as much as possible in the United States." And we are making some progress on this.

And in this connection, in this last year in these tiny little places, Mr. Chairman, where we have got one or two people, if you were to say to me: "Why do you need anybody? Here is Qatar, which has only 115,00 people"—now, that is not the yardstick; it is not the yardstick. We have important oil interests there and we are doing it quite lightly with just the minimum people and we think it very important.

Throughout this whole year we have now gotten people all the way around. Next year we have to add one person, Mr. Chairman, in this presentation, this place called Qatar. In Qatar we have nobody there. We are just establishing an Embassy.

Mr. HAYS. How do you spell that?

Mr. SISCO. Q-a-t-a-r.

Mr. HAYS. That is what I thought. It was "Q"—but I didn't know that as you pronounced it.

Mr. GUYER. Do you have a consul there?

Mr. SISCO. No.

Mr. GUYER. This past week I had 13 meetings in my district and one of them was with some very leading people in the energy fuel areas. Among other things, they talk about the necessity of the North Slope supply, and they talked about the fact that we have only had about two new refineries built in about 5 years in the United States.

They talk about the necessity of friendship over there and the fact that with poor-quality coal we couldn't go too far away from home. But this does seem very salient to us. Could I ask you to do this: Could your department forward to me, G-u-y-e-r, 114 in the Cannon Building, a synopsis of this?

Mr. HAYS. For whatever it is worth, I will put it in the record that the "energy crisis" will disappear at the snap of the fingers when the oil companies get the price of oil up 10 cents more a gallon.

I have just recently been to Europe, where cars are bumper to bumper. On a holiday in London, for example, you get caught up in the traffic jam 60 or 80 miles out of the city and you don't get in until maybe 10 o'clock. And the price of gasoline over there is from 70 to 90 cents a gallon and it is running out of their ears.

The energy crisis in this country is as phony as a Confederate \$3 bill.

Mr. GUYER. How is this going to help the independents who have already been shut off?

Mr. HAYS. Well, the big companies want to put the independents out of business, and they are going to put them out of business. There is no way we are going to stop it unless we pass some very severe restrictions on what they can and can't do, and make them sell their supplies to the independents. They deliberately set out to put them out of business.

As far as no new refineries being built, that is another plan on their part, to create an artificial shortage of gasoline. I imagine my opponent will get a couple of contributions as a result of that statement, maybe one like I had one time.

He asked my secretary who a certain fellow was, and he told him. He said, "I just wanted to know. I got a check for \$5,000 from him." He happened to be in the oil business, too.

Governor Thomson, do you have any words of wisdom to add to this?

Mr. THOMSON. No; but I read somewhere that some of the Arab nations were going to sell the oil based on the purchaser's relationship with Israel. Is there any substance to that?

Mr. SISCO. Not quite put that way but there was a statement made about a week ago by a prominent Saudi Arabian—his name is Yamani—in which he cast doubt on Saudi Arabia's willingness to increase the amount of oil that would be coming into this country. That was right in the aftermath, you will recall, of the President's message where he listed the restrictions on imports.

Now, I would only say this to you: I would agree with the chairman. You are going to hear a lot of talk about this thing over the coming weeks. And I don't want to discount it but I would only say this: That in my judgment the affinity of interest between the producer and the consumer is not going to be given up very lightly by the producers. This oil resource and the money that it derives—sure, oil and energy are important to us, but every one of these countries is committed to certain specific programs in their own countries, based on certain revenues. And the fact of the matter is that the principal markets are in Western Europe, and in Japan and the United States.

I have heard it said, "Well, sure, they can begin to turn this oil over to the Communist countries."

Mr. HAYS. What would the Communist countries do with it? Eat it?

Mr. SISCO. Not only that, there is a question of where the hard currency would come from. The Communist arrangements so far have been a barter sort of arrangement. They haven't been hard currency. So, I am not here trying to express any conclusive judgment.

I think we would be foolhardy to say, "Let's disregard this factor." It obviously is a factor that one has to weigh, including a number of other factors. But I feel that the commonality of interest between those that buy and consume this oil, and those who have it and produce it, is not going to easily be broken over the veil of the Arab-Israeli dispute, a dispute that has been historically intractable and one that has not been susceptible to being resolved.

That is my judgment. I could be wrong but that is the way I feel about it.

Mr. THOMSON. Is the threat of criminal prosecution against many of these Pakistani prisoners a factor in delaying the release of them?

Mr. SISCO. Yes. Let me put it this way: In this proposal that I de-

scribed here a moment ago, the Bangladesh and the Indian Government said, "We are willing to talk about the release of"—the precise figure was 93,000 POW's. They also announced in the same breath that they intend to try 195 other prisoners.

Now, this has been strongly objected to by the Pakistan Government. And, frankly, this is one of the issues that has to be resolved in subsequent discussions because the Pakistan Government does not want any of these people tried and it does view public announcement that these people will be tried as an impediment to achieving agreement.

Mr. HAYS. Isn't it true, Mr. Sisco, that Russia produces more oil than she consumes?

Mr. SISCO. That is correct.

Mr. HAYS. So they would not be a very good market for oil, would they?

Mr. SISCO. No, sir; they would not.

Mr. HAYS. I think a lot of people who are putting out these scare headlines are overlooking that. Some of the power companies in my area—and I have more than my share of generating plants along the Ohio River—we have the worst pollution in the atmosphere of any place in the world, in the area of Steubenville, Ohio, yet they are now breaking ground for another 1 million kilowatt generating plant right beside three other generating plants, which they say will dump out 87,000 tons of pollutants annually. They admit that.

Mr. GUYER. Why did PCO in our State put the clamps on the expansion of industry on that basis? Was this a ploy?

Mr. HAYS. You know, they are up to their capacity at certain times of the year and they are building new generating plants. But the point of it is that they keep on running slick paper ads at \$10,000 a page to burn electricity and to put in more air-conditioners.

We had a strip mine committee out there the other week, and a very smart crack was made to me: "What are you going to say to your hundreds of constituents when we have a brownout and their air-conditioners go off and we tell them to write you, and you haven't done anything about it?"

I said, "I'll write back and say: 'All you people have been harping on the good old days. Now you have them.' " I grew up without any air-conditioning or electric toothbrushes or a dozen other things, that we can do without if we have to. So I do not get all tight about that.

Whenever they take ads in the paper saying "Consumer electricity," then they are going to convince me that there is a shortage just around the corner—in Ohio, that is.

I don't know. Maybe we ought to have you come back some day when we are going to be in executive session, because I have a series of questions here that I do not think you are going to want to answer in open session.

Mr. SISCO. I will be glad to come back at any time, Mr. Chairman.

Mr. HAYS. Do you want to comment now on whether or not tension is rising between Israel and its neighbors?

Mr. SISCO. Sure. I will be glad to. There is no problem.

I think that the atmosphere, obviously, in the Middle East has historically hit troughs and hit peaks of emotionalism. I think the emotionalism is rather high at the moment, as a result of these acts of ter-

rorism and counteraction that have been taken. But, below the tip of the iceberg, Mr. Chairman, I happen to believe that the doors of diplomacy are still open, as difficult as this problem is.

I am struck with the fact that, for all of the escalated public rhetoric that we are getting out of the area, each in his own way still would like to find a diplomatic way out. I think the balance in the area is such that it is generally a deterrent to the exercise of the military option by anyone.

And when you begin to look at these isolated acts of terrorism, as horrible as they are, I think it is well to remember that it is indicative of the failure of the guerrilla movement in the Middle East as a formidable military movement.

You see, the Jordanians kicked the guerrillas out of Jordan. And they can't operate out of Jordan. The Lebanese Government and the Lebanese Army are taking stringent measures along the Lebanese-Israeli border, and they can't operate there, also.

Even along the Syrian-Israeli border, the Syrians, who are fearful of Israeli counteraction, military action, are holding a similar tight rein on the guerrillas. So, what we are going to see over the coming months is a continuation of these isolated acts. I have got no doubt in my mind that Americans are going to be in danger, as at Khartoum. But these are isolated acts which are committed, in my judgment, primarily for political-psychological purposes, and they do not have an iota of influence, in my judgment, on the actual military balance in the area.

So my answer is: Yes, there is a lot of emotionalism; yes, there is going to be escalated rhetoric. There will be continued instability in the area. There will be continued acts of terrorism. But within this kind of atmosphere—and that is not new in the Middle East, as you well know; and I don't mean to dismiss it, but we view it with concern—I, myself, feel that the doors of diplomacy are still open and I can assure you of one thing—that the President has said this is a matter of priority with us: "We are going to continue to do everything we can to get a process started."

Not take a Washington blueprint and try to impose it, but how to get these people talking. And that is what we have been doing in past weeks and will be doing in the future.

Mr. HAYS. Mr. Sisco, you say, "Each in his own way"—I am paraphrasing your words—would like to see the tensions lowered and negotiations started, or at least some improvement made in the situation. Do you include Colonel Qadhafi in that?

Mr. SISCO. Well, I think that is too broad a generalization. I am glad you caught me up on that.

I think the position taken by the Libyan Government at this point has been a militant position. The Libyan Government has not committed itself to the November 1967 Security Council resolution, which is a resolution which calls for a peace agreement based on certain principles.

The Egyptians have. The Israelis have. The Jordanians have. No: I will say the Libyan position, which has been strongly in support of the more militant Fedayeen elements, has not been particularly a force which can be said to be contributing to stability in the area.

Mr. HAYS. Mr. Sisco, when President Pompidou was here some time ago, he asked some of us to meet with him down at Blair House, and I was one of those. And I recall asking the question point-blank, because it is well known that I have had friendly dealing toward the French all my time here, and close relationships with French Parliamentarians. And I asked the question in a very friendly manner: "What about this contract for Mirages with the Libyans? If they do as I suspect they will, transfer these planes to Egypt or some other place on the frontier, what are you going to do?"

And if my memory doesn't serve me badly, he said: "In that case we will cease delivery and will not deliver any spare parts."

Now, they have, in fact, transferred these planes, according to the French. What have we done and what have the others done? Have we talked to the French about it?

Mr. SISCO. We certainly have, and the French Government has this under consideration. We are concerned and would be concerned about any transfers of aircraft, or aircraft going indirectly to what, generally speaking, is defined as the combat area.

Yes, they did make this kind of a commitment. The commitment was that they would not transfer these Mirages to any third party.

Here in the public record I don't want to say anything more other than we are concerned. We have taken it up with the French Government. The Israeli Government has, as well.

If we were off the record I could tell you a little more and I will be glad to call you up.

Mr. HAYS. We will be glad to call you back on that, and we can get into executive session.

I think I just have one final question here on that subject. On your area, let's put it that way.

Some of the other things, about Cyprus and some of the other matters, I think probably you would not want to go very far in answering in this open session.

What about the recent events in Sikkim? Are the Indians behind that, as the press alleges?

Mr. SISCO. Well, I have just come back from India and I will say to you that we have no evidence one way or the other, Mr. Hays. There are some who would argue that they are involved. There are others who say they are not. The Indian Government has said both publicly and privately that they are not involved and have not created that situation.

Our evidence does not indicate one way or the other.

Mr. HAYS. Are the Indians still unhappy with us? Not that that is going to keep me awake tonight, however you answer.

Mr. SISCO. Well, what I found was this: I think there were a number of indications on the part of the Indian Government of a desire for improved relationships between the United States and India. There are also some difficulties. For example: I reveal no secrets when I say to you that they were critical, both publicly and privately, of the recent decision that we made to supply/sell a few spare parts to the Pakistan Government, which amounted to \$1.3 million and 380 APC's. And they were critical of us in circumstances where a continuous flood of Soviet arms, for example, goes into India on a regular basis. There is just

no comparison between the strength of India on the one hand and Pakistan on the other.

So, while the atmosphere has improved somewhat, I think we have a long way to go before we can come to the judgment that United States-Indian relationships are good.

I would only add one other thing: We have made it clear that we think that, if relationships are going to improve, they have got to be on the basis of genuine mutual respect and mutual understanding. That is what they have got to take into account—our interests as well as their own—and I think we made this very, very clear.

And I believe they understand this, and I think, however, that our relationship, which has historically been very rocky—I don't anticipate any decisive changes in our relationship. I think we have adopted the right posture: "We are willing to improve if you are willing to improve. This has got to be on a basis of a mutual policy that serves our mutual interests."

Mr. HAYS. I do not know whether it has been on mutual respect and mutual understanding, but they have sure had their hands pretty deep in our billfold for the last decade and a half.

Mr. SISCO. Well, I think we have had an interest and have a continuing interest in terms of this huge democracy being in a position to stand on its own two feet. But always within the framework that this is a place which is on the other side of the world, where our interests, in my judgment, are marginal, and where, as far as we are concerned, this is a region where hopefully they can resolve their own problem and where hopefully this kind of a situation can create stability, so that none of the major powers that have an interest in this area will achieve a position of domination.

We are not interested in dominating this area, but neither are we interested in seeing one of the other major powers dominate this area.

Mr. HAYS. Finally, about this area: have you anything to say or are you consulted at all when we send an Ambassador out to a country in your area?

Mr. SISCO. I am consulted in most instances, and I think fairly regularly, but I am not going to be foolish enough to say to you that I have been consulted in every instance.

Mr. HAYS. I do not want to put you on the spot, but I had a sort of three-cornered question about Danny boy, Mr. Moynihan, whether he was sent there because he is more friendly to India than he is to the United States; whether he was sent there because they thought he could do some good; or whether he was sent there because they wanted to get him as far away from the United States as possible. The latter is a valid reason, as far as I am concerned.

But I do not know whether that is the reason or not. You can comment or not.

Mr. SISCO. I would hope you would not expect me to comment on that. I have just come from India and I want to say to you, quite honestly, he is doing a good job.

Mr. HAYS. How are the acoustics in the Indian residences?

Mr. SISCO. I would like to talk to you after this meeting, if I could.

Mr. HAYS. For the benefit of the new member on the committee, I will tell you what the problem is.

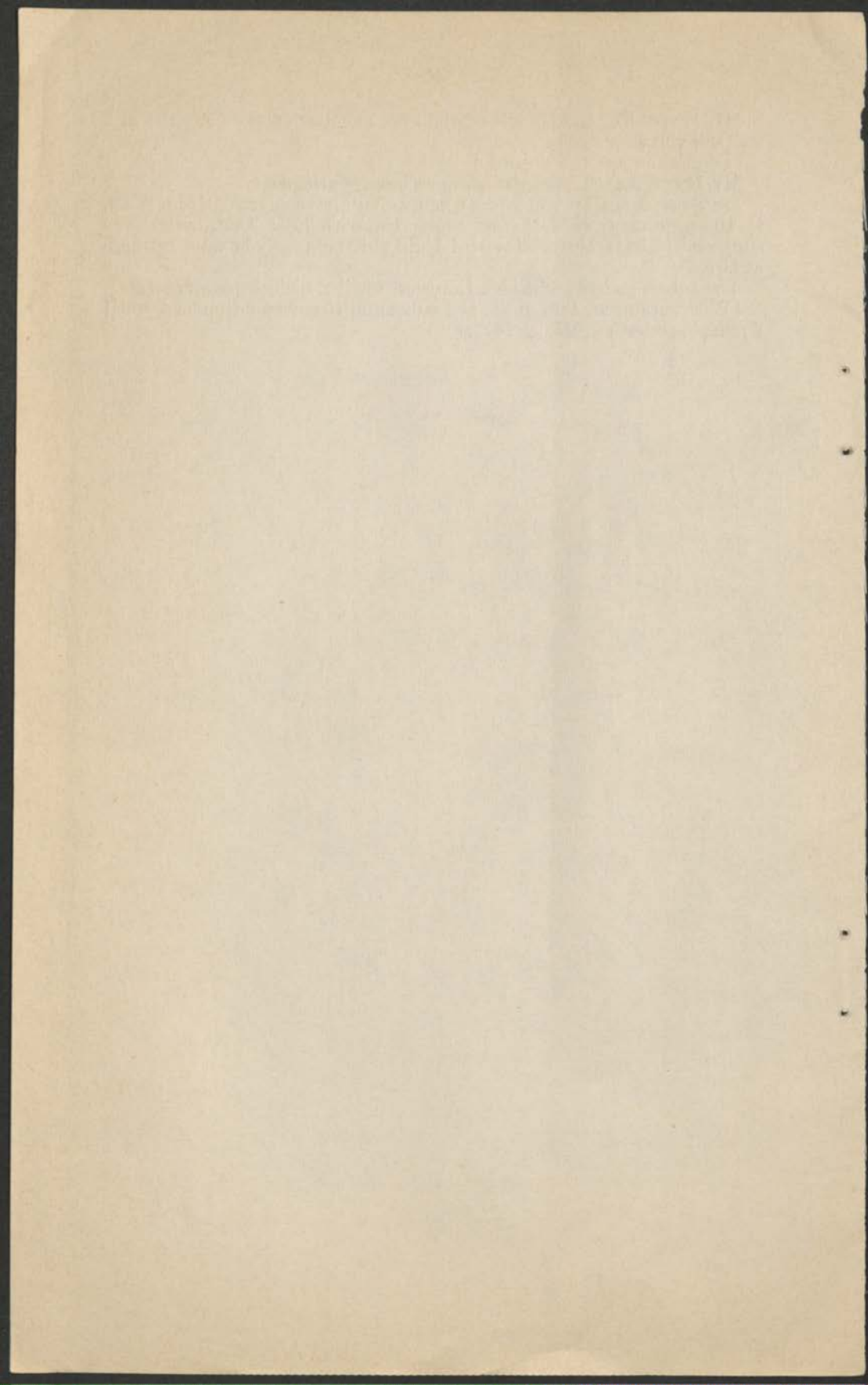
[Discussion off the record.]

Mr. HAYS. Are there any other questions, gentlemen?

Mr. Sisco, I will let you know when we will have an executive session. In the meantime we will start tomorrow with East Asia, which was supposed to have been today and I did this because you were up here anyway.

The subcommittee will be adjourned until 2 o'clock tomorrow.

[Whereupon, at 4:14 p.m., the subcommittee was adjourned until 2 p.m., Wednesday, May 2, 1973.]



## DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1974

WEDNESDAY, MAY 2, 1973

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS,  
*Washington, D.C.*

The subcommittee met at 2 p.m., in room H-328, the Capitol, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.  
Mr. HAYS. Mr. Hummel, do you have a prepared statement.  
Mr. HUMMEL. No, sir; I do not.

### STATEMENT OF HON. ARTHUR W. HUMMEL, JR., ACTING ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

I joined the Department of State in 1950. My recent assignments with the Department include serving as Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs from 1963-65, Deputy Chief of Mission in Taipei from 1965-68, Ambassador to Burma from 1968-71, and from 1971 until the present as Deputy Assistant Secretary in the Bureau of East Asian and Pacific Affairs.

I was born in China in 1920. I attended Antioch College, and also the College of Chinese Studies in Peking during 1940-41. I was interned in a Japanese camp in 1941, but escaped and joined a group of Chinese guerrillas behind Japanese lines, remaining with them until V-J Day. I received an M.A. in Chinese studies from the University of Chicago in 1949.

#### BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS—FISCAL YEAR 1974 BUDGET SUMMARY

The budget proposed by the Bureau of East Asian and Pacific Affairs under the major function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, total \$25,361,000. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 556 overseas American positions included and 921 local positions, all direct.

We have 35 posts in 16 countries, 15 embassies, 18 consulates, and 2 consular agencies.

There is an increase of \$1,509,200 over fiscal year 1973, which is a net of \$1,543,200 increase and \$34,000 decreases. The increases include:

Wage increases—American and local	\$376,000
Price increases overseas	391,000
Within-grade increases—American and local	166,200
Improved support costs	161,100
Currency revaluation costs	25,000
Annualization costs	213,500
Increased workload—consular program	210,400

Total increases 1,543,200

Decreases include:

New positions in 1973-----	\$29,000
Relocation expenses-----	5,000
Total decreases-----	34,000
Net increase-----	1,509,200

The budgeted amount of \$25,361,000 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (59.5%)-----	\$15,099,400
Local employees; salaries and related costs (includes retirement and severance payments) (17.8%)-----	4,531,500
American allowances (includes education, housing and temporary lodging) (3.9%)-----	986,800
Rents, telephone, telegrams and utilities (9.3%)-----	2,352,700

Over 90 percent of our expenses are salary costs, allowances, and rent and utility costs. The remaining categories are:

Travel and transportation of persons (includes consultation trips, post-to-post details, rest and recuperation travel, medical, educational and within-area travel) (1.4%)-----	\$360,200
Travel and transportation of things (includes pouches, ocean freight on Government property, air freight and similar costs) (1.0%)-----	249,000
Building operations, maintenance of equipment and automobiles; official residence expenses; and security guards (3.5%)-----	880,200
Supplies (includes office, medical, security, automotive, and clothing for Marine Guards) (1.8%)-----	466,100
Equipment (includes furnishings for office and household; office machines; security, telephone and medical equipment; and books and maps) (1.8%)-----	435,100

Mr. HAYS. I have a résumé of your budget in front of me, Mr. Hummel. It tells me that for administration of foreign affairs in your Bureau, your proposed share of the State Department's request is \$25,361,000. Is that correct?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. For the record you have 556 overseas American positions and 921 local positions. Is that correct?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. Under your Bureau there are 35 posts in 16 countries, 15 embassies, 18 consulates and two consular agencies. Is that correct?

Mr. HUMMEL. That is correct.

Mr. HAYS. Which of the 16 countries do you not have an embassy in? There are 16 countries listed and 15 embassies.

Mr. HUMMEL. Hong Kong is carried as a country perhaps wrongly, but it does not have an embassy.

Mr. HAYS. I think it should not be carried as a country. I think that statement should be corrected, that you have 15 countries and a colony, because it is a crown colony, isn't that correct?

Mr. HUMMEL. That is correct.

Mr. HAYS. That résumé tells me further that your increase is \$1,509,200 over fiscal 1973 and that this is divided between wage increases, price increases, within grade increases, improved support costs, currency revaluation costs, annualization costs and increased work load consular program.

Mr. HUMMEL. Yes, sir.

NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLO

EAST ASIA AND PACIFIC	TOTAL ALL AGENCIES		STATE						AID				USIA		PEACE CORPS						AGRICULTURE				COMMERCE	
			TOTAL		DIRECT		REIMB.		DIRECT HIRE INCL. PASA		CONTRACT				STAFF		VOL.	CONTRACT		STAFF		CONTRACT		STAFF		
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN		US	FN	US	FN	US	FN	US	FN	
Australia	62	762	46	69	39	50	7	19	-	-	-	-	7	17	-	-	-	-	-	3	3	-	-	4	9	
Burma	41	131	37	69	16	32	21	37	-	8	-	20	4	33	-	-	-	-	-	-	-	-	-	-	-	
Fiji	300	26	3	3	3	3	-	-	-	-	-	-	-	-	9	3	282	6	20	-	-	-	-	-	-	
Hong Kong	86	205	57	141	38	108	19	33	-	-	-	-	9	43	-	-	-	-	-	3	1	-	-	-	-	
Indonesia	174	268	81	93	41	40	40	53	53	77	18	29	20	59	-	-	-	-	-	2	1	-	-	-	-	
Japan	253	705	114	272	85	179	29	93	4	3	-	-	43	273	-	-	-	-	-	6	11	4	32	5	11	
Khmer	50	58	31	46	17	12	14	34	15	8	-	-	4	4	-	-	-	-	-	-	-	-	-	-	-	
Korea	440	412	49	96	31	50	18	46	52	160	9	1	15	96	6	20	292	14	36	2	1	1	2	-	-	
Laos	492	2288	62	84	19	32	43	52	338	774	80	1391	9	39	-	-	-	-	-	-	-	-	-	-	-	
Malaysia	397	102	29	35	18	15	11	20	-	-	-	-	7	29	10	15	340	7	21	1	2	-	-	-	-	
New Zealand	23	34	17	23	15	17	2	6	-	-	-	-	2	7	-	-	-	-	-	2	1	-	-	-	-	
Philippines	654	1408	178	342	51	82	127	260	74	169	27	49	34	404	11	11	260	4	25	2	3	-	6	-	-	
Singapore	36	66	22	26	16	15	6	11	-	-	-	-	4	26	-	-	-	-	-	-	-	1	-	1	-	
Taiwan	68	218	44	109	34	56	10	53	4	22	4	17	13	59	-	-	-	-	-	2	1	1	10	-	-	
Thailand	684	1063	127	226	79	100	48	126	163	475	73	153	35	179	6	17	251	-	5	1	3	-	-	1	3	
Vietnam	1333	2391	140	461	61	98	79	363	963	1358	176	399	39	172	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	5093	10137	1037	2095	563	889	474	1206	1666	3054	387	2059	245	1440	42	66	1425	31	107	24	27	7	50	11	23	

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

ATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

CONTRACT		HEW				JUSTICE		NASA				TRANSPORTATION			TREASURY		ABMC/AEC/EPA/EX-111				GSA/HUD/INTERIOR				NSF/SMITH/TVA/VA			
		STAFF		CONTRACT				STAFF		CONTRACT		MIL.	CIVILIAN				STAFF		CONTRACT		STAFF		CONTRACT		STAFF		CONTRACT	
US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	CG	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
-	1	-	-	-	7	-	-	1	-	1	656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	11	11	6	-	-	-	-	-	-	-	5	2	1	1	-	-	-	-	-	-	-	-	-	-
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-	1	-	-	-	84	10	3	-	-	-	-	4	28	2	18	4	8	1	-	2	8	3	-	1	1	3	-	-
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-	-	1	-	1	41	11	2	-	-	-	-	17	4	6	6	21	2	44	-	2	1	-	-	-	21	283	-	-
-	-	-	-	-	12	5	-	-	-	-	-	3	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	
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Mr. HAYS. Would you tell us for the record how you handle currency revaluation costs. You do not have very much money in for that, \$25,000.

Mr. HUMMEL. This does not represent any part of the costs of the recent currency revaluations which come in an amendment to the 1974 budget which Mr. Murray mentioned yesterday. This, I believe, is a one shot item related to currency revaluation by Australia, only one country. And it is unrelated to the general revaluation that occurred a few months ago.

Mr. HAYS. What do you do when there is a currency devaluation or if you prefer revaluation? Do you increase people's allowances or their salaries or what?

Mr. HUMMEL. One of the main increases must be in post operating expenses of a kind that are expended in local currencies at different rates. These costs include such things as utilities and rents that are automatically affected by change in the U.S. dollar.

Mr. HAYS. What happens to an officer who is in a country and the American currency is devalued by 10 percent. In effect he takes a salary cut, doesn't he?

Mr. HUMMEL. His basic salary is not changed because that is set by statute and regulations in U.S. dollars. But in effect the amount of money he must spend in local currency for food, local transportation, and for servants at his own expense, and other local expenditure are effected adversely by devaluation.

Mr. HAYS. There will be no tears in my eyes as to the servant part of it because we do not have servants at home and that is one of the benefits of being overseas. But a fellow who is in a country where currency has been devalued and his cost of living goes up, he does not get reimbursed in any way, is that correct?

Mr. HUMMEL. He may be reimbursed for a portion of this by an adjustment in cost-of-living allowances.

Mr. HAYS. He may be, but is the practice that you do this?

Mr. HUMMEL. Yes, sir, when we can do this.

Mr. HAYS. Suppose you were ordered to reduce your personnel by 5 percent in your area, do you think that would critically affect your operations there?

Mr. HUMMEL. Yes, sir, I do. The repeated reductions in budget and in personnel both in the Department and overseas in recent years has, I think, placed an undue strain on the State Department component that is represented here today in this budget.

Our Chiefs of Mission and their senior staffs are hampered to some extent in their conduct of foreign affairs and also in their conduct of statutory relationships by lack of personnel. We feel we have reached the point where further reductions would have a serious effect on the ability to conduct foreign affairs properly.

I may say, sir, that among the increases that are requested here are increases representing the cost of 8 additional American positions and 18 local positions, all overseas and all related directly to the consular workload that is already very heavy and which we expect to increase further.

Mr. HAYS. Where is your worst situation? You are wanting eight Americans, where do you propose putting them?

Mr. HUMMEL. We propose putting for instance, two Americans and six locals in the embassy in Seoul. This is two additional consular positions. Also, two additional Americans, and three additional locals in Manila. The other Americans are one each in Melbourne, one in Suva, Fiji, one in Japan and one in Taiwan.

Mr. HAYS. What is the increased consular load in Korea?

Mr. HUMMEL. The largest percentage increase is in the category of immigrant visas where the percentage increase between fiscal 1972 and 1973 is 13 percent.

Another large increase is in nonimmigrant, which increased 10 percent. These figures are based on actual statistics as reported.

Mr. HAYS. Is there any quota on immigrants from Korea?

Mr. HUMMEL. I am sorry I do not know the answer to that. I would have to supply that for the record.

[The information requested follows:]

20,000 Koreans are permitted to immigrate to the United States during each fiscal year.

Mr. HAYS. Is there any geographic or regional quota or can anybody who walks in get a visa to come to this country and emigrate from Korea?

Mr. HUMMEL. A large number of these are Korean nationals who are dependents of U.S. military personnel.

Mr. HAYS. I thought that probably would be your answer. But you are not asking to put anybody else on in Vietnam, are you? You must have a lot more dependents in Vietnam than you do in Korea, legitimate and otherwise?

Mr. HUMMEL. There has not been any demonstrated statistical increase in the work load in Vietnam. As is the case in these other posts.

Mr. HAYS. What is the situation in Manila?

Mr. HUMMEL. The largest increase again supported by actual statistics is an increase of 23 percent in nonimmigrant visa case load and there is another increase in special consular services of 16 percent.

Mr. HAYS. When you are talking about a nonimmigrant visa, you are talking about a tourist visa presumably or a visitor's visa.

Mr. HUMMEL. Yes, sir; tourist, visitors, businessmen, et cetera.

Mr. HAYS. How many of those with tourist visas ever go back? My office seems to be deluged with people who get visas from these countries and then they don't want to go back. They want them changed to some other category.

Mr. HUMMEL. This does happen, yes, but lacking legal grounds for refusing visas to qualified persons who say they wish to come only for a short stay, it is very difficult for the consular officer to refuse such visas.

Mr. HAYS. They refuse them all the time from your operation. I have a heavy Italian population in my constituency and all the time people are getting turned down from there on the grounds that they do not have any close relatives in Italy and they probably won't go back.

I would guess from the Philippines they would have even fewer close relatives in the United States. I would wonder why the apparent discrimination.

Is anybody ever turned down for a visa?

Mr. HUMMEL. Yes sir, many are.

Mr. HAYS. What grounds do they have for turning them down?

Mr. HUMMEL. I know you are more familiar than I with the provisions of this law but it is my understanding that the consular officer must decide on his own authority whether there are sufficient grounds to believe that the nonimmigrant visa applicant is, in fact, a nonimmigrant and does not intend to stay.

When there are no grounds to believe otherwise, then I believe the consular officer is more or less obligated to issue the visa.

Mr. HAYS. How big a waiting period is there? Suppose you walk in off the street in Korea and want a visa. How long does it take to get one?

Mr. HUMMEL. I don't have an estimated time for total elapsed time between application and issuance of the visa. One of the major problems in Korea has been a physical waiting line in the consular section that prevents people for very long periods from even getting to a consular officer to get consideration of a visa application.

Mr. HAYS. That is what I am trying to find out. I have never been to Korea and I do not know anything about the situation. I have seen consular sections in other places, Mexico for example, where there are big rooms full of people.

In one instance before we had a new building in Monterey, they were sitting on steps of two or three stories waiting to get up to the room.

Mr. HUMMEL. That is the case in Korea. The line often even forms outside the Embassy waiting for the opening of the Embassy at 2:30 a.m. in the morning in order to be sure they will get in and get consideration.

Mr. HAYS. I notice one of your items is travel and transportation of persons, \$360,000. It says that includes consultation trips. I never really have had time as chairman of this committee to do a study of how many consultation trips you have had, but I did do one last year on the foreign aid outfit. The press is always taking raps at Congressmen for traveling overseas and this committee is supposed to oversight you.

I found in one instance that all the foreign aid administrators from Latin America went to Paris for a consultation, which I thought was odd. They might have had that consultation in Bogotá or Panama City, or some place closer to the area than Paris.

Having been to both Paris and Bogotá I would say Paris has cultural advantages, especially after 6 in the evening that Bogotá does not have. But how much of this goes on in your area? How many consultations do you have and who makes them and for what purpose?

Can you give me a general statement in your own words?

Mr. HUMMEL. In this \$24,600 item, this would represent—

Mr. HAYS. I mentioned the \$360,000 item.

Mr. HUMMEL. Could I ask our expert, Mr. Walker Smith to answer that? He can do it more precisely.

#### STATEMENT OF WALKER W. SMITH, ACTING EXECUTIVE DIRECTOR, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. SMITH. \$24,600 of the amount mentioned is for consultation trips back to the United States. This would be from 12 to 15 trips. These are usually for Ambassadors or senior personnel that are called

back for special purposes in consultation in connection with an event that is occurring at the time.

Mr. HAYS. How often do you have what you people call area consultations?

Mr. HUMMEL. We try to have a chiefs of mission conference every year. We have missed a number of years. We will not have one during fiscal 1973. I believe we did not have one in fiscal 1968.

Mr. HAYS. The Near East just had one a week or so ago, didn't they?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. This item about official residents expenses, building operations, maintenance of equipment and so on, do you handle that or does the Buildings Division of the State Department handle that?

I thought they did all the maintenance of the building and repairs. They had a big item in their budget.

Mr. SMITH. Building maintenance is for the operation and maintenance of short term leased properties that are handled by the Bureau.

Mr. HAYS. This short term leasing is something we should get a better handle on. When you short term lease a building which you do without any consultation with the Buildings Division as I understand it, do you agree to maintain the building?

Mr. SMITH. Usually we try to get the landlord to maintain it, but in our area few of the landlords are agreeable to this and it is part of the provisions of the lease, that we maintain the building while we occupy it.

Mr. HAYS. That is generally accepted practice in your area?

Mr. SMITH. Yes, sir.

Mr. HAYS. I never can get out of my craw the lease job they did in Bogotá where they leased 60 percent of a building and paid in 5 years more than the total cost of the building. That was a short term lease over which this committee had no jurisdiction. At least we were not consulted.

I wondered if we should not cut the whole short term leasing program by a few thousand dollars so you would not have quite as free a hand.

Mr. Diggs, do you have any questions of Mr. Hummel. He did not have a prepared statement. I have tried to go over the items I thought ought to be spread on the record. I do have some other general questions about the area, political questions.

Mr. Diggs. I have no questions at this time, Mr. Chairman.

Mr. HAYS. How many foreign service personnel are now serving in Vietnam?

Mr. HUMMEL. We have a total of 42 American officers and 18 American clerks in this budget, that is before you plus 102 local employees with a total of 162 people in the State Department budget.

How many of those are foreign service officers and how many are staff officers I do not have at the moment. I could get this for you if you wish.

Mr. HAYS. Is this a reduction from last year?

Mr. HUMMEL. This is exactly the same as the figure for last year.

Mr. HAYS. Do we have a lot of Foreign Service officers trained in the Vietnamese language? I understand one year we had some money for a big crash training program.

Mr. HUMMEL. Yes, sir; we undertook a very large program and trained a large number of officers in Vietnamese.

Mr. HAYS. Where are they now?

Mr. HUMMEL. Some of them are back in Vietnam on temporary duty. I believe the figure is 45.

Mr. HAYS. They were not included?

Mr. HUMMEL. No sir; because these figures represent jobs authorized and people in the jobs on a permanent basis. But on a temporary basis we sent 45 Foreign Service officers from many posts around the world who had Vietnamese language and who had previous Vietnamese experience to do reporting on conditions in Vietnam beginning just after the cease-fire agreement was signed in January.

Mr. HAYS. The question I asked was: How many Foreign Service personnel are now serving in Vietnam and you were not very responsive to that. You told me how many you had budgeted but I find out you have 45 serving temporarily which is more than the original figure you gave me.

Mr. HUMMEL. You are correct, sir.

Mr. HAYS. Forty-two and forty-five are eighty-seven.

Mr. HUMMEL. You are correct, sir.

Mr. HAYS. Are there any others under any other category?

Mr. HUMMEL. No, sir. There are 19 State Department officers whose previous job was under the CORD organization in Vietnam who are on detail in essentially AID functions still in Vietnam.

Mr. HAYS. Then we have, 42, 45, and 19 and that is all?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. That does not include AID people then.

Mr. HUMMEL. No, sir.

Mr. HAYS. You would not know how many hundreds of them, sir?

Mr. HUMMEL. I have a breakdown as of the end of December and I regret that I do not have more up-to-date figures but as of the end of December, there were 963 of AID American employees in Vietnam.

Mr. HAYS. Would you have any conjecture as to whether that number has gone up or down?

Mr. HUMMEL. It has already gone down and it will go down further.

Mr. HAYS. We will take a recess for about 5 or 6 minutes to go down and vote on this amendment.

[A recess from 2:25 to 2:35 was taken.]

Mr. HAYS. For the benefit of those of you who are here from other bureaus in the Department, it is my plan to hear the Africa area next. The rest of you we will put off until tomorrow so if any of you want to leave, that is up to you.

Mr. Hummel, would you like to submit a statement on the personnel for Vietnam for the record, an accurate statement?

Mr. HUMMEL. I would like to have that opportunity.

Mr. HAYS. Without objection you may do so and it will be incorporated into the record at this point.

[The statement follows:]

<i>Department of State personnel assigned to Vietnam</i>	
State direct:	
Officers -----	42
Clerks -----	18
Total -----	60
Reimbursed to State from supported agencies:	
Officers -----	43
Clerks -----	14
Total -----	57
Special Assistant to Ambassador for Operations (SAAFO—formerly CORDS) -----	12
Temporary duty -----	49
Total U.S. personnel -----	178

Mr. HAYS. What are your costs in Vietnam today? Do you have that broken out so you can give me a figure on it?

Mr. HUMMEL. Total costs, sir, in Vietnam in fiscal 1973 which will still be on an estimated basis, \$3,385,906.

Mr. HAYS. How does that compare with the previous fiscal year?

Mr. HUMMEL. I don't have a comparable total figure for the previous fiscal year.

Mr. HAYS. Could you supply that for the record?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. Without objection it will be placed in the record at this point.

[The requested information follows:]

#### STATE DEPARTMENT OPERATING COSTS IN VIETNAM

Fiscal year 1972, \$3,746,864; fiscal year 1973, \$3,385,906 (estimated).

Mr. HAYS. We have a reduced presence in Vietnam obviously, would you agree with that?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. Are we able to secure adequate intelligence about events going on in that country?

Mr. HUMMEL. Yes, sir, I think so.

Mr. HAYS. How many people do we have working in SEATO Headquarters?

Mr. HUMMEL. We have five American officers working in SEATO Headquarters.

Mr. HAYS. How many people in the Department work on SEATO matters?

Mr. HUMMEL. That would be hard to estimate, sir, because a number of officers spend part time on SEATO activities. I can identify—I recognize only one officer who spends more or less full time on SEATO matters in the Bureau of East Asian Affairs.

Mr. HAYS. How big a bureaucracy does SEATO have? I am not talking about our people but the total bureaucracy?

Mr. HUMMEL. The total number of personnel including the five U.S. officers in SEATO is 178. The number of professionals as opposed to clerks and support people totals 40.

Mr. HAYS. You are saying, then, there is 178 total bodies in the SEATO Headquarters?

Mr. HUMMEL. And in the civilian secretariat of SEATO, yes, sir.

Mr. HAYS. How many military? Do you have any idea of that?

Mr. HUMMEL. There are 55 military personnel assigned to military planning office of which 11 are U.S. military.

Mr. HAYS. What is our assessment for SEATO, dollarwise? What do we pay?

Mr. HUMMEL. Our assessment in fiscal 1973 and in fiscal 1974 both is \$143,000.

Mr. HAYS. \$143,000.

Mr. HUMMEL. I am sorry, sir. I read the wrong line. Our cash contribution to the civilian budget of SEATO in fiscal 1973 is \$288,317 and in fiscal 1974 it is estimated to be \$329,592.

Mr. HAYS. This booklet you sent up called the "Budget in Brief, Department of State" lists Southeast Treaty Organization, \$431,317 in 1973 and \$465,701 in 1974. How do you explain the difference?

Mr. HUMMEL. Because in addition to the cash contribution that I just mentioned, there are the direct costs of the five American officers which should be added to bring it up to the \$400-odd-thousand figures.

Mr. HAYS. Is SEATO really necessary today?

Mr. HUMMEL. Yes, sir. A number of American officials have addressed this point in recent months and years. It is important particularly in the case of Thailand where it forms the only security treaty link between our two countries.

The Thai value it because it does form this link between the United States and other powers on the one hand and Thailand on the other. Its chief importance is in relation to Thailand.

It has, however, in addition considerable symbolic importance in that it represents the American determination to remain a Pacific power, to fulfill our obligations in that area and to maintain a presence and support of nations that wish to have that support.

Mr. HAYS. The President is always talking about lowering our profile in areas only where our national interest is at stake. Would there be any great danger or harm to our national interest if SEATO just ceased to exist?

Mr. HUMMEL. I think there would be harm to our national interest, sir, in that it would in the first instance deprive Thailand of this treaty link that I mentioned.

Mr. HAYS. Couldn't you have a bilateral treaty with Thailand? You do not need a bureaucracy that size to maintain a link with Thailand do you?

Mr. HUMMEL. It would in theory be possible to have a bilateral security arrangement with Thailand but it is our judgment that it would be very difficult to get such a bilateral arrangement through all of the processes of our Government.

Mr. HAYS. As I have watched things around here in the past 25 years, I think you can say about these organizations that they never die and they do not even fade away. They just keep on going and somebody keeps on appropriating money long after there is any reason for their existence.

I am not an expert on this area but it surely seems to me that SEATO is about in that category. I think maybe you people ought to take a real long look at it.

We here in Congress put a ceiling of 200 on U.S. nationals, civilians and military in Cambodia. How many do we have there now?

Mr. HUMMEL. We have a total of 194 people if I recall correctly. We are within the 200-man ceiling that is prescribed by statute.

Mr. HAYS. How many of these 194 are State Department personnel?

Mr. HUMMEL. Once again, sir; I would have to phrase my answer in two parts in order to avoid the error you pointed out before.

In this budget and funded from the budget that we are now addressing are 12 American officers and 5 American clerks at present. The total number of foreign service officers, some of whom are not funded under this budget, would of course be different and larger.

One I can identify now is nine American officers and five American clerks that are reimbursable.

Mr. HAYS. What other agency do you know?

Mr. HUMMEL. They would be in the shared administrative support portion of the administrative section of the embassy which does the administration for components of the mission.

Mr. HAYS. Including, I presume, AID?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. There is no provision of course in last year's budget for a mission to the Peoples Republic of China. How is that being funded?

Mr. HUMMEL. It is being funded in the first instance, sir, in a supplemental request to the Congress for the costs in 1973 of establishing a mission. That supplemental request totals \$1.5 million and includes the capital expenses for equipment and for one time expenses of establishment.

I believe Mr. Murray can speak more precisely to this point, that the 1974 budget amendment request which is about to come before you will include \$1.2 million for 1974 for the continuing cost of the Peking liaison office.

Mr. HAYS. I just have two other questions. One is why has the visit of the Emperor of Japan been canceled?

Mr. HUMMEL. The visit of the Emperor of Japan—

Mr. HAYS. If you don't want to answer it in public session, you can say you don't want to and we can have the answer later, but I am curious to know. If you can answer, I would like you to do it now.

Mr. HUMMEL. I would prefer to supply an answer in another way.

Mr. HAYS. The other question is about Indonesia. Last year we had 164 U.S. employees there, including military and CIA. This year's chart seems to show 174 and again I refer to the President's statement about lowering of our profile.

It looks to me like we are upping our profile there. Do you have any explanation of that?

Mr. HUMMEL. As of the end of December 1972, there are 174 Americans, civilian Americans in Indonesia. I regret I do not have the comparable chart for last year and therefore cannot identify the difference.

Mr. HAYS. Could you supply us some kind of explanation for the record?

Mr. HUMMEL. Yes, sir.

[The requested information follows:]

NUMBER OF U.S. CIVILIAN AGENCY PERSONNEL ON DUTY IN INDONESIA

	December 1971	December 1972
State	83	83
AID direct hire including PASA	52	58
AID contract	9	10
USIA	18	22
Agriculture	2	
Total, all agencies	164	174

Mr. HAYS. I have no personal objection if you need more people in Indonesia. I think it is well we keep on friendly terms and close terms with them, but I am just curious about why the President says one thing and seemingly another happens.

Mr. HUMMEL. I can assure you, sir, that the policy established initially by Marshall Green when he was Ambassador there, of maintaining a low profile and of keeping the number of Americans to a minimum is still firmly in effect. This we do examine and we have examined the staffing in that post as careful as any other with a view to keeping the American profile down. That policy is still operative.

Mr. HAYS. Every once in a while I get a letter from some foreign service officer abroad, sometimes signed and sometimes they say they are afraid to sign them saying they have any where from 25 to 50 percent more people in the post than they need if anybody did a little work.

Do you have any comment on that?

Mr. HUMMEL. No, sir, I don't know how to comment on that in the abstract. I would be glad to deal with the staffing patterns of individual posts and to discuss such matters with you if a particular situation can be cited.

I do not know of any such situation in any post in East Asia.

Mr. HAYS. I occasionally walk down the halls of an embassy here and there, and I frequently look indoors and see either nobody in there or nobody doing anything in there. That is not unique to the State Department.

I did this in my own shop the other day and as a result there are about four bodies that are no longer around here. But you know I can take quicker action than a bureaucracy. If I think they are soldiering on the job, I will tell them to find another place to soldier.

Mr. HUMMEL. I am sure you know that physical presence in the chancery at their desk at any moment is not the only measure—

Mr. HAYS. No; but if they are all downstairs on a coffee break, they are there but not doing any work. My estimate is 40 percent of the time is spent on coffee breaks.

Mr. HUMMEL. I would have a different estimate.

Mr. HAYS. And when I see them with their feet on the desk reading a newspaper, they are physically there—maybe they are searching for something to make up a cable for somebody who is not going to read it. I don't know. I know there is awful traffic in cables. Does anybody read them?

Mr. HUMMEL. I think they read the ones relevant to their particular function.

Mr. HAYS. What about the reports your economic officers write and your political officers write? Does anybody read them?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. They do?

Mr. HUMMEL. Yes, sir.

Mr. HAYS. I just have a feeling, Mr. Hummel, there is a lot of unnecessary paper floating around, not only in the State Department but all through the Government and I cannot help but wonder if we could not dispense with a lot of it?

Mr. Diggs. It might be of help if we could get some of these reports declassified according to present standards because it is very difficult to evaluate the value of these reports when you don't have exposure to them.

When I served at the United Nations in the 26th Assembly, it was a real revelation to me with respect to the amount of traffic that comes in from various posts around the world. And there is extremely useful information that is made available to the Executive through this exchange which is not made available to Members of Congress, certainly not on the same basis.

Because when I returned I tried to get a continuation of this kind of communication link and ran into all kinds of problems over there with respect to that request. So it is very difficult to evaluate it at this time.

You could evaluate it on both sides but you would be in a much better position to make the kind of judgment that you are seeking, which I think is a very legitimate judgment, if we had the same access to the information that does come in because it just gives you an entirely different dimension.

I just don't see how it is possible for the various subcommittees of foreign affairs—I don't know about the counterpart in the other body—to really compete with the executive agencies when you consider the amount of information they have access to, compared to the amount of information that we have and when you consider the difficulty of getting that information. It just pulls the curtain down.

You might get a summary, you might get occasionally some relatively lengthy classified document of some type, but nothing comparable to the day-to-day information that comes in from these various posts reflecting the kind of reports to which you just alluded from the economic officers, from the political officers, from the various other components that are in our missions, not only in these offices at the ambassadorial consular level but in the headquarters of SEATO and these other regional kinds of agencies.

You do have this kind of question when you pass through and see what appears to be questionable evidence of activity.

Mr. HAYS. I am glad to have you comment, Mr. Diggs. I have never been privy to any of these reports and I have no way to evaluate their worth except on a judgment that I know there are an awful lot of them passed back and forth. I don't see how there is time to examine all of them. I wonder if there is really any input, even if one is read, whether there is any input into the State Department's thinking.

I really have no way to figure that one out. I don't guess anybody up here does. We more or less give them the money they say they need and hope they get a job done. I suppose everything is relative, but you see some of the fixes we get ourselves in and you wonder how we manage to achieve such a remarkable engagement in other people's business.

I wish I could figure out some way to have better oversight but with the limited amount of time we have and the staff we have on this subcommittee to try to oversight the State Department is almost physically impossible.

I would just ask another question at this point. You send a Foreign Service officer out and you put him in a political section and he has never been in a political section before. He stays there 3 years and then you send him some place else.

What is he likely to turn up at in the next post, consular officer or economic officer or information officer? Do you still have this theory that you still have to give him a whirl in every department so you can make a well-rounded officer out of him?

Mr. HUMMEL. No, sir, we do not. Our personnel system is now based on a system of specialization. The officer spends most of his time within his chosen specialty. For instance, political affairs, economic affairs, consular affairs, administration and so on.

Mr. HAYS. I am glad to hear you say that.

Mr. HUMMEL. He would be rotated out for one or two assignments during his career but the objective is to give him a specialization so that the promotion panels can compete him against other people in that specialization for promotion.

Mr. HAYS. What makes me ask this question—and it might be interesting to the members of the subcommittee—when I first became chairman of this subcommittee, I was interested in a couple of real estate transactions by the Department. I found the practice of the Department was to pick some career Foreign Service officer and put him in charge of real estate for 3 years. Just about the time he learned the difference between an embassy and an outhouse they sent him off to some other place in a completely different category and brought in some other fellow and started to train him in the real estate business. It cost the American taxpayer a lot of money to make all these real estate men out of Foreign Service officers, and I sort of got that procedure turned around since I have been chairman and we have a couple of fellows now who have been down there for several years and I believe are doing a competent job.

I like the way they sell some of this excess property and make a little money for the Department. Most all the new construction we have done in the past 6 or 8 years has been out of the proceeds of sales. I keep referring to that fantastic job that was done in Paris where for years I tried to get them to use the Rothschild House, which they were using for storage and God knows what else, and I always got the kickback that it cost too much money to renovate it.

It cost \$1 million. And it is the nicest Embassy residency we have. They sold the old one—which was on a busy corner and as you know,

it was not fit to live in—for \$3 million something. So the expenditure of \$1 million turned into \$2.4 million profit as I remember.

I just throw out for whatever it is worth that I hope you don't, about the time a fellow learns a job in some category, shift him to some other category where he has to start all over. I think it reduces your efficiency.

Any other questions? If not, thank you, Mr. Hummel. We may have you back briefly in executive session to talk about a couple of these matters.

Mr. HAYS. Next is the African Bureau. I believe Mr. David D. Newsom, the Assistant Secretary for the Bureau of African Affairs, is going to testify.

#### STATEMENT OF HON. DAVID D. NEWSOM, ASSISTANT SECRETARY, BUREAU OF AFRICAN AFFAIRS, DEPARTMENT OF STATE

David Dunlop Newsom, the Assistant Secretary of State for African Affairs, is a Career Minister in the U.S. Foreign Service.

Mr. Newsom took the oath of office on July 17, 1969, after serving four years as U.S. Ambassador to Libya.

He was born on January 6, 1918 in Richmond, California, and was educated at the University of California at Berkeley (B.A. 1938), and Columbia University (M.S., 1940).

Mr. Newsom was the recipient of a Pulitzer traveling scholarship in 1940 and spent a year on a tour around the world. One of the high points of that trip was a 30-minute visit in India with Mahatma Gandhi.

On the same trip, he visited Africa for the first time—in Kenya and then down the coast to South Africa.

Mr. Newsom joined the Navy when the United States entered World War II, and served overseas with the rank of Lieutenant. After the war, he returned to California to publish a weekly newspaper.

He entered the Foreign Service in 1947 and has held assignments in Karachi (1947), Oslo (1950), Baghdad (1951) and London (1960).

His assignments in Washington have included serving as Officer in Charge of Arabian Peninsula Affairs, 1955-58, and attending the National War College in 1959-60. Mr. Newsom was named Director of the Office of Northern African Affairs in 1963.

He has received a number of important commendations. In 1955, the United States Information Service gave him its Commendable Service Award for his service in directing the USIS staff in Iraq for three years. Mr. Newsom received a Meritorious Service Award from the State Department in 1958.

The National Civil Service League gave him one of its Career Service Awards in 1971 for his help in "placing Africa in its proper perspective in the conduct of U.S. foreign relations as a whole."

Mr. Newsom is married to the former Jean Craig, and they have three sons and two daughters.

#### BUREAU OF AFRICAN AFFAIRS—FISCAL YEAR 1974 BUDGET SUMMARY

The budget proposed by the Bureau of African Affairs under the major function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals \$25,077,500. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 114 domestic and 482 overseas American positions included and 687 local positions, all direct.

We have 57 posts in 40 countries and two territories (Angola and Mozambique). There are 40 embassies, 8 Consulates General and 9 Consulates.

NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DI

AFRICA	TOTAL ALL AGENCIES		STATE						AID				USIA		PEACE CORP				AGRICULTURE				CONTRACT		STAFF	
			TOTAL		DIRECT		REIMB		DIRECT HIRE INCL. PASA		CONTRACT				STAFF		VOL.		CONTRACT		STAFF		CONTRACT		STAFF	
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
Algeria	21	33	19	29	14	24	5	5	-	-	-	-	2	4	-	-	-	-	-	-	-	-	-	-	-	-
Angola (CG)	5	9	5	9	5	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Botswana	92	6	6	3	5	3	1	-	1	-	-	-	-	-	2	1	80	3	2	-	-	-	-	-	-	-
Burundi	11	22	10	17	6	10	4	7	-	-	-	-	1	5	-	-	-	-	-	-	-	-	-	-	-	-
Cameroon	126	58	19	35	10	13	9	22	8	4	9	-	6	13	3	4	77	4	-	-	-	-	-	-	-	-
Central African Republic	15	11	7	9	3	4	4	5	-	-	-	-	-	2	-	-	8	-	-	-	-	-	-	-	-	-
Chad	57	32	9	19	5	6	4	13	1	-	-	-	1	6	3	3	42	1	4	-	-	-	-	-	-	-
Dahomey	79	35	10	21	6	6	4	15	-	-	-	-	1	7	3	2	65	-	5	-	-	-	-	-	-	-
Equatorial Guinea	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	403	198	50	98	25	21	25	77	38	37	71	-	10	30	5	5	226	3	23	-	-	-	-	-	-	-
Gabon	8	25	7	20	7	7	-	13	-	-	-	-	1	5	-	-	-	-	-	-	-	-	-	-	-	-
Gambia	63	4	3	1	3	1	-	-	-	-	-	-	-	-	2	2	58	-	1	-	-	-	-	-	-	-
Ghana	315	128	30	50	19	13	11	37	29	41	27	4	7	20	4	6	215	2	7	-	-	-	-	-	-	-
Guinea	15	31	14	28	8	7	6	21	-	-	-	-	1	3	-	-	-	-	-	-	-	-	-	-	-	-
Ivory Coast	137	87	31	57	16	15	15	42	20	8	-	-	6	11	7	4	72	1	7	-	-	-	-	-	-	-
Kenya	393	174	37	74	18	37	19	37	44	40	22	7	8	21	6	9	270	3	20	2	3	-	-	-	-	-
Lesotho	53	10	4	2	4	2	-	-	1	-	-	-	1	4	2	2	45	-	2	-	-	-	-	-	-	-
Liberia	453	261	97	76	19	32	78	44	39	54	16	1	15	112	6	10	275	2	8	3	-	-	-	-	-	-
Libya	14	42	14	37	7	10	7	27	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Malagasy Republic	71	174	9	24	6	12	3	12	-	-	-	-	2	12	-	-	-	-	-	-	-	-	-	-	-	-
Malawi	39	24	10	17	6	9	4	8	-	-	-	-	1	5	1	1	27	-	1	-	-	-	-	-	-	-
Mali	37	60	12	43	8	17	4	26	1	-	-	-	1	5	1	1	21	1	11	-	-	-	-	-	-	-
Mauritania	7	4	5	4	5	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mauritius	24	9	7	6	5	6	2	-	-	-	-	-	-	-	1	1	16	-	2	-	-	-	-	-	-	-
Morocco	296	316	47	144	26	55	21	89	32	22	10	5	25	124	4	5	167	8	15	2	1	-	-	-	-	-
Mozambique (CG)	5	9	5	9	5	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Niger	124	50	8	18	5	3	3	15	8	8	11	12	1	7	4	2	83	9	3	-	-	-	-	-	-	-
Nigeria	232	518	74	192	42	97	32	95	61	135	78	125	15	50	-	-	-	-	-	2	1	-	-	2	-	-
Rwanda	6	18	6	17	6	5	-	12	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	134	63	20	22	11	10	9	12	12	10	6	-	4	11	3	3	89	-	17	-	-	-	-	-	-	-
Sierra Leone	191	42	8	26	6	13	2	13	-	-	-	-	2	6	4	8	173	4	2	-	-	-	-	-	-	-
Somali Republic	18	65	15	54	9	24	6	30	-	-	-	-	3	11	-	-	-	-	-	1	2	-	-	-	-	-
South Africa	55	297	47	67	40	53	7	14	-	-	-	-	6	15	-	-	-	-	-	-	-	-	-	-	-	-
Sudan	13	41	12	29	8	18	4	11	-	-	-	-	1	12	-	-	-	-	-	-	-	-	-	-	-	-
Swaziland	88	7	4	3	3	3	1	-	7	-	-	-	-	-	2	2	65	10	2	-	-	-	-	-	-	-
Tanzania	67	61	18	27	11	17	7	10	21	21	25	-	3	13	-	-	-	-	-	-	-	-	-	-	-	-
Togo	90	49	7	28	5	12	2	16	-	1	-	-	1	8	3	3	77	2	9	-	-	-	-	-	-	-
Tunisia	209	192	31	64	17	30	14	34	45	64	3	6	5	28	3	8	119	-	3	-	-	-	-	-	-	-
Uganda	66	198	14	13	7	9	7	4	22	18	26	-	2	10	1	3	-	1	3	-	-	-	-	-	-	-
Upper Volta	84	37	8	18	7	6	1	12	3	-	-	-	1	5	2	4	68	2	6	-	-	-	-	-	-	-
Zaire	277	153	55	65	30	33	25	32	32	12	1	6	10	34	8	2	169	1	32	1	2	-	-	-	-	-
Zambia	15	24	13	14	8	7	5	7	-	-	-	-	2	10	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4408	3577	807	1489	456	672	351	817	425	475	305	166	145	615	80	91	2509	57	185	11	9	-	-	2	-	-

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

DIPLOMATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

[illegible]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	12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There is an increase of \$891,100 over fiscal year 1973, which is a net of \$908,700 increases and \$17,600 decreases. The increases include:

Wage increases—American and local	\$153,000
Price increases—domestic and overseas	411,400
Within-grade increases—American and local	175,300
Additional consular position	28,200
Additional security equipment	75,000
Reestablish diplomatic relations—Sudan	46,200
Increased commercial travel	13,000
Additional costs for marine security guards authorized fiscal year 1973	6,600

Total increases 908,700

Decreases include:

Installation costs for marine security guards authorized fiscal year 1973	17,600
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Total decreases 17,600

Net increase 891,100

The budgeted amount of \$25,077,500 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (52.8%)	\$13,229,800
Local employees' salary and related costs (including retirement and severance payment) (13.0%)	3,260,000
American allowances (includes education, housing and temporary lodging) (4.5%)	1,121,500
Rents, telephone, telegrams and utilities (15.6%)	3,918,700

Over 85 percent of our expenses are salary costs, allowances, and rent and utility costs. The remaining categories are:

Travel and transportation of persons (includes consultation trips, post-to-post details, rest and recuperation travel, medical, educational and within-area travel) (2.6%)	\$643,100
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight and similar costs) (1.8%)	462,600
Building operations, maintenance of equipment and automobile; official residence expense; and security guards (3.9%)	984,200
Supplies (includes office, medical, security, automotive and clothing for marine guards) (3.0%)	750,400
Equipment (includes furnishings for office and household; office machines; security; telephone and medical equipment; books and maps) (2.8%)	707,200

Mr. NEWSOM. I have with me Mr. William G. Bradford, the Executive Director of the Bureau of African Affairs.

Mr. HAYS. Do you have a statement that you care to make before we ask questions?

Mr. NEWSOM. We have submitted a statement, Mr. Chairman, which gives a summary of our anticipated increases and decreases for the next fiscal year. I believe this is available to the members of the committee.

Mr. HAYS. Immediately there is a question in my mind. You have 57 posts, if my information here is correct, compared to the East Asian's 35 posts and you have 40 embassies compared to their 15. You have 17 consulates.

You have more of everything except consulates than they do. Yet you spend a little less money. I am not criticizing you but how do you account for that?

Mr. NEWSOM. Well, Mr. Chairman, we have a larger number of posts because we have in Africa a larger number of independent and separate political entities, governments, independent countries, and territories.

We are there to represent the United States in each of these entities, in most cases at a minimal level. Therefore, our average personnel in each of these offices is considerably below that of East Asia where we tend to have, I would assume, larger offices.

Mr. HAYS. Well, you have quite a few fewer employees, of course. Then we get into the fact that you are spending as much money. What accounts for the difference there? I am sure there must be some reason?

Mr. NEWSOM. The support costs for maintaining a large number of separate offices which is necessitated by the need to have effective representation with each of the independent African countries are larger per office because of the rents, communications, and travels which are necessary to support them in a continent the size of Africa.

Mr. HAYS. Without objection, I will include in both cases each of the Bureaus of the Department of African Affairs and East Asian Affairs at its proper place in this breakdown of how you spend your money so that anybody reading the record can get something from it.

Mr. Diggs, you were here when we started. According to our rules you would have the option for the next round of questions. I have some more questions but I will defer until the other members finish.

Mr. DIGGS. Thank you, Mr. Chairman. I am just getting exposed to this summary for the first time. I am trying to evaluate it. There are some more figures presumably available to back up this summary. Are they available through the committee or do you ask the witness directly?

Mr. HAYS. I think you can ask the witness directly. If he doesn't have the material, he will supply it, presumably.

Mr. DIGGS. That is what I would like to have so we could understand what we are talking about here. Could be a little more explicit about the hardship costs that are involved in administering these various missions in Africa for the benefit of the committee?

Mr. NEWSOM. Yes; Mr. Chairman, we have in the Foreign Service a system of hardship allowances which pays to the American employee a percentage of his base pay on the basis of hardship conditions whether these be isolation or particularly severe health problems. In some cases it is areas of insecurity, warfare. They range from zero to 25 percent in the most difficult places. We can, I think we already have, supplied as a part of the general budget presentation a list of the differential posts in Africa. We can supply it for the special record of this committee.

[The requested information follows:]

## BUREAU OF AFRICAN AFFAIRS HARDSHIP POST DIFFERENTIAL

Post	Differential percent
Algeria:	
Algiers	15
Oran	20
Angola, Luanda	10
Botswana, Gaborone	10
Burundi, Bujumbura	25
Cameroon:	
Yaounde	15
Douala	20
Central African Republic, Bangui	25
Chad, Fort Lamy	25
Dahomey, Cotonou	25
Equatorial Guinea, Santa Isabel	20
Ethiopia, Addis Ababa	10
Gabon, Libreville	25
Gambia, Banjul	20
Ghana, Accra	15
Guinea, Conakry	25
Ivory Coast, Abidjan	15
Lesotho, Maseru	10
Liberia, Monrovia	25
Libya, Tripoli	15
Mali, Bamako	25
Mauritania, Nouakchott	15
Niger, Niamey	25
Nigeria:	
Lagos	15
Ibadan	20
Kaduna	15
Rwanda, Kigali	25
Sierra Leone, Freetown	25
Somali Republic, Mogadiscio	25
Sudan, Khartoum	20
Tanzania:	
United Republic of Dar-es-Salaam	10
Zanzibar	25
Togo, Lome	25
Uganda, Kampala	25
Upper Volta, Ouagadougou	25
Zaire:	
Kinshasa	20
Bukavu	25
Kisangani	20
Lubumbashi	20

Mr. Diggs. Could you tell us about the requirements for automobiles? Are you still having to purchase American-made automobiles?

Mr. Newsom. We require the purchase of American automobiles for official use of our missions abroad except where a special case can be made that because of poor facilities or the particular requirements of the terrain a non-American vehicle may be necessary.

As far as the private vehicles of our personnel are concerned, this is at their discretion but at the moment we do not ship foreign-made

automobiles for the officers, purchased abroad, back to the United States.

Mr. Diggs. This flexibility with respect to American-made cars, is that of relatively recent vintage?

Mr. Newsom. Do you mean as far as official purchases are concerned?

Mr. Diggs. No. I mean the cars you use in the official mission. I have particular reference as you probably know to some of the countries that border the desert. Because of the terrain, these cars are breaking down in these areas.

I wondered whether or not you were able to resolve it where you have the flexibility?

Mr. Newsom. We do have the flexibility. In a number of these posts desert type vehicles are of non-American manufacture which have been proven to be hardier, are being purchased.

Mr. Diggs. In connection with your wage increases, American and local, in our embassy in South Africa, for example, what kind of guidelines do you have with respect to wages for local employees in view of the fact that there is a differential in the country with respect to the majority? How do we fit into that kind of picture with our wage scales?

Mr. Newsom. Well, it is the practice throughout the world to annually make a survey of local wage scales with a number of factors, including relevant comparable wage scales in the community, but in the case of South Africa, we have also very much in mind the special circumstances. I think that our wage scales in the official American establishments certainly would be adequate and in the few cases it is possible where work is comparable to that of the white employees that the pay be comparable, and that is the case.

Mr. Diggs. The additional consular position, where is that?

Mr. Newsom. Nairobi.

Mr. Diggs. And additional security equipment?

Mr. Newsom. This has come out of our increasing concern over security at posts. It started, I would say, 3 or 4 years ago with increased threatening letters and other threats of one kind or another.

This is largely equipment spread over a number of posts. We can provide the details for the record.

Mr. Diggs. And the reestablishment of diplomatic relations in the Sudan is only going to cost \$46,000 over and above our present expenditures?

Mr. Newsom. That is right, Mr. Diggs.

Mr. Diggs. That does not, apparently, accommodate any expectations for consular offices beyond Khartoum. That seems to be a very modest amount considering the size of that country and the fact that it has a population of over 15 million people.

Mr. Newsom. Well, we have tried to tailor the size of our missions to the work load and to our general practice of trying to maintain a modest American presence.

In the case of Khartoum we had wide contacts with the Sudan Government. We had consular relations. So the resumption of diplomatic relations did not substantially increase the work load of our mission.

Mr. Diggs. With respect to the Angola and Mozambique, are there any changes there in connection with our expenditures for personnel or for any other reason?

Mr. Newsom. Not that I am aware of.

STATEMENT OF WILLIAM G. BRADFORD, EXECUTIVE DIRECTOR,  
BUREAU OF AFRICAN AFFAIRS, DEPARTMENT OF STATE

Mr. BRADFORD. In Angola there would be an increase from about \$157,000 to \$160,000.

Mr. DIGGS. That is about \$3,000?

Mr. BRADFORD. In Mozambique there would be an increase from \$115,000 to \$157,000.

Mr. DIGGS. We still service Guinea from some other post?

Mr. NEWSOM. From Dakar.

Mr. DIGGS. We do not have any kind of representation in Rhodesia?

Mr. NEWSOM. None at all.

Mr. DIGGS. And we have no agent there that we pay for any kind of information? At one time we had some law firm I think representing us there.

Mr. NEWSOM. When we withdrew our Consulate-General from Salisbury, we made arrangements with a local law firm to be a contact point in connection with consular cases which may then have been active or which might arise with respect to American property, protection of American citizens, and so forth.

As a matter of fact, that has been very rarely used. When American citizens living in Rhodesia have problems, they have generally come out either to Johannesburg or Blantyre for help.

Mr. DIGGS. In Namibia we are serviced there by the mission in Pretoria?

Mr. NEWSOM. The Consulate-General in Johannesburg.

Mr. DIGGS. What changes are taking place with respect to our mission in Uganda now that we are phasing out our aid program there? Has the phaseout had any effect on the number of people in our mission?

Mr. NEWSOM. The mission is being reduced slightly.

Mr. BRADFORD. It is two positions. That is not in the budget.

Mr. DIGGS. Are these minor positions?

Mr. BRADFORD. One officer and one clerical position.

Mr. HAYS. Would you yield to me, Dr. Diggs?

Mr. DIGGS. Yes, sir.

Mr. HAYS. Are you talking about positions inside Uganda or where?

Mr. NEWSOM. As I mentioned in other cases where we have a reduction in a workload for circumstances within the country we will cut back the staff which is what we are doing in Uganda.

Mr. HAYS. Thank you, Mr. Diggs.

Mr. DIGGS. Just one other question. With respect to Mr. Baker in South Africa, do you have to provide any special housing arrangements for him?

Mr. NEWSOM. No.

Mr. DIGGS. He was a house?

Mr. NEWSOM. He took the house of his predecessor in Pretoria.

Mr. DIGGS. Thank you.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. Mr. Chairman, I notice here in the budget breakdown an item "American allowances" which says "includes education and housing and temporary lodging."

The next item is "Rents, telephone, telegram, and utilities." Now what rents would those be? Would that be housing?

Mr. NEWSOM. No, Mr. Congressman. Those are both housing rents and official premises rents.

Mr. BRADFORD. Temporary lodging is when they are in a hotel temporarily until we find them a house or when we have to make other temporary arrangements.

Mr. THOMSON. So this item amounts to 15 percent. What part is for rent and what part is for telegrams, and telephones?

Mr. BRADFORD. Approximately \$2,690,000 is for rents.

Mr. THOMSON. \$1.3 million is for telephone, telegram and utilities?

Mr. BRADFORD. Utilities run \$859,000.

Mr. HAYS. Would you yield to me there?

Mr. THOMSON. Yes, sir.

Mr. HAYS. You are telling us that 10 percent of your total budget in Africa goes for rents? Is this short-term leases?

Mr. BRADFORD. I imagine it is short-term leases.

Mr. HAYS. Why don't you acquire property then?

Mr. BRADFORD. At the present time, sir, we have not been successful in finding or acquiring property. We have had several proposals. This is the best way to do it, sir.

Mr. HAYS. Wouldn't you like to say there that because of the short-sighted views of the Bureau of the Budget you have not been permitted to acquire property, they would rather have you spend 10 percent for rents? If you don't want to say it, I will say it.

Mr. BRADFORD. I prefer you to say it, sir.

Mr. HAYS. You might think the Bureau of the Budget was next door to God. I think they are next door to someplace.

Mr. THOMSON. Watergate.

Mr. HAYS. Have the record reflect that was said by Governor Thomson. I am keeping a low profile on Watergate.

Mr. THOMSON. You are not under suspicion.

Mr. HAYS. I think it is better for the other side to destroy themselves rather than get any help from us.

Mr. THOMSON. What about the representation?

Mr. NEWSOM. It is \$193,000.

Mr. THOMSON. You mean just in Africa?

Mr. NEWSOM. Yes, sir.

Mr. THOMSON. Now this item relating to installation costs for Marine security guards, was that a one-time item that occurred last year?

Mr. BRADFORD. There was an increase in the number of Marines on duty. Part of it was one-time costs, but the other costs are continuing, in other words sending them out to the post and getting them set up was the one-time cost.

Mr. THOMSON. What was the additional cost for reestablishing diplomatic relations with the Sudan?

Mr. NEWSOM. We assigned an Ambassador and an additional clerk. So this involved travel and transportation, both of persons and things, additional rent for a residence for the—well, actually the Ambassador took another residence but we had to take an additional residence for another officer, and an item for equipment, \$14,000. That is various office equipment; typewriters, et cetera.

Mr. THOMSON. Well, this item of additional cost for security guards of \$6,600.

Mr. BRADFORD. That is the annualization of the Marine costs during the year.

Mr. THOMSON. I would think you would have additional security costs.

Mr. BRADFORD. We have an additional \$75,000 for our equipment in this budget which was prepared before the disaster in Khartoum. There is more to be requested in a supplemental budget covering security departmentwide.

Mr. THOMSON. What is that equipment, bulletproof cars or something?

Mr. BRADFORD. The equipment covered under the \$75,000 is grill work, fences, security doors, alarm systems and other devices to prevent penetration by intruders in our establishments. It is broken down among 13 purposes.

Mr. THOMSON. Do you think it is adequate now?

Mr. NEWSOM. It is probably not adequate in terms of the overall risk but one has to always strike a balance. There will be, as Mr. Bradford has said, increased requests which will be the result of an overall worldwide survey of what we feel is the minimum necessary to provide us with adequate protection.

Mr. THOMSON. All right.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. No questions.

Mr. HAYS. Mr. Culver.

Mr. CULVER. Under international law, what are the obligations with regard to the security of a diplomatic post? Is that the legal obligation of the host country to provide security?

Mr. NEWSOM. Technically, the host country has the responsibility for the security of diplomats within it. I think we have to be, at least as far as Africa is concerned, realistic. I would say all of the African countries in which we have people, accept this responsibility and provide additional police guards.

They cooperate when incidents take place but they do not have the capabilities to provide us with a kind of more sophisticated security which we feel is necessary.

Mr. CULVER. Given the proliferation of this particular international problem, especially in terms of the Middle East situation, but also in other areas of the world such as Latin America, what steps are being taken through international forums to give more serious consideration to a solution to this problem?

Mr. NEWSOM. Well, as I think you know, Mr. Chairman, we have sought primarily in the United Nations forum but also by extensive bilateral discussions with other countries to awaken the world and to in a sense coalesce expressions of concern on the part of many nations into some kind of worldwide action, action first directed at trying to get international cooperation in measures to control terrorists and their activities, particularly those activities which directly affect innocent people such as highjackings, assaults on innocent gatherings in other countries such as happened in Munich.

We also have been trying to get international cooperation specifically in the protection of diplomats through measures in the United Nations.

We run into the problem that while most nations agree with us on the severity of the problem, in many cases special political considerations intervene which widen the debate on these issues and hinder the adoption of the kind of measures we are proposing today in any international forum.

Mr. CULVER. Do you have any cost estimates of this additional supplemental that the Department is going to be coming forward with?

Mr. NEWSOM. I will call on Mr. Murray.

Mr. MURRAY. It has not actually been finalized. It would cover all of the five geographic regions of the world. It would cover the necessary security measures in connection with our Government owning long term lease buildings and the estimate we have at the moment totals about \$35 million.

Mr. CULVER. Worldwide?

Mr. MURRAY. Worldwide. It would include partially armored vehicles, follow cars, communications equipment for security purposes and a whole range of these things. But it has not been officially cleared out of the Department of State as yet.

Mr. CULVER. How large an increase in personnel is anticipated as part of that?

#### STATEMENT OF MICHAEL M. CONLIN, BUDGET PLANNING AND PRESENTATION, BUREAU OF ADMINISTRATION, DEPARTMENT OF STATE

Mr. CONLIN. We have not completely finalized the estimates but with additional Marine guards, nearly 800 including communicators, local guards by contract, and people of that nature.

The number of positions on board would total about 300.

Mr. CULVER. 500 or 300?

Mr. CONLIN. 300 employees. The Marines we don't count as members of the State Department.

Mr. HAYS. Would you identify yourself for the record?

Mr. CONLIN. Michael Conlin, budget officer for the Department of State.

Mr. CULVER. 500 Marines and 300 additional contract employees?

Mr. CONLIN. 300 additional is a combination of Americans and locals. It would not be strictly protective security as the Marines are.

Mr. HAYS. Off the record.

[Discussion off the record.]

Mr. HAYS. On the record.

What part does your Bureau play in determining how much foreign aid we give to African countries? I should have asked this question of your predecessors and I didn't get around to it?

Mr. NEWSOM. We work very closely with the African Bureau of AID in the preparation of their budgetary requests. Our missions abroad work with the AID directors and with regional AID officers in the field presentations.

We participate with the Peace Corps in the determination and approval of projects in Africa. We are very much involved both with AID and with the Department of Agriculture in Public Law 480 allocations which are important in Africa.

Ours is a role of encouragement and consultation with the agencies that have the direct responsibility for resources.

Mr. HAYS. Excluding Africa as a specific area, the State Department is supposed to be the foreign affairs arm of the Government. As I have always had it preached to me when I was a supporter of foreign aid, which I am not any more, that foreign aid was given in order to enhance the objectives of the United States foreign policy.

Would you say that is true?

Mr. NEWSOM. Yes; I certainly do say that.

Mr. HAYS. All right, now given that set of facts, could you veto a foreign aid project if you wanted to?

Mr. NEWSOM. I think we could, yes, Mr. Chairman.

Mr. HAYS. Have you ever vetoed one?

Mr. NEWSOM. I can't think of one at the moment but I think that we have on occasions—

Mr. HAYS. Do you think anybody down there could ever think of one that you have vetoed? You have the authority. I am just curious enough to see if you ever used it or if it is just a theoretical thing. I am not thinking particularly of Africa. I am thinking of foreign aid in Asia or the Middle East or anywhere.

Mr. NEWSOM. Generally speaking, Mr. Chairman, I think it has probably been the other way, that we have felt that there were projects which were important in our foreign relations whose approval we encouraged rather than discouraged.

Mr. HAYS. I have one final question. How would you say that the size of our missions in these countries compares with that of other major powers; for example, Britain or France or the Soviet Union or whatever?

Mr. NEWSOM. I would say that in general in Africa our missions are probably smaller than the missions of those countries which have had a traditional and previous colonial relationship with Africa, Britain, France, Belgium.

In some cases they are probably smaller than Soviet missions also. There is information which I believe we could supply, to the extent that we have full knowledge of how many have missions.

[The information requested follows:]

REPRESENTATION AT AFRICAN POSTS IN WHICH THE UNITED STATES HAS AN EMBASSY

Country	British	French	U.S.S.R.	People's Republic of China	Republic of China
Algeria.....	X	X	X	X	
Botswana.....	X	<sup>1</sup> X	<sup>2</sup> X		X
Burundi.....		X	X	X	
Cameroon.....	X	X	X	X	
Central African Republic.....		X	X		X
Chad.....		X	X		
Dahomey.....		X	X	<sup>3</sup> X	
Equatorial Guinea.....				<sup>3</sup> X	
Ethiopia.....	X	X	X	X	
Gabon.....		X			X
Gambia.....	X	X	X		X
Ghana.....	X	X	X	X	
Guinea.....			X	X	
Ivory Coast.....	X	X			X
Kenya.....	X	X	X	X	
Lesotho.....		<sup>1</sup> X			X
Liberia.....	X	X	X		X
Libya.....	X	X		<sup>3</sup> X	X
Malagasy Republic.....	X	X			
Malawi.....	X	X			X
Mali.....		X	X	X	

See footnotes at end of table.

## REPRESENTATION AT AFRICAN POSTS IN WHICH THE UNITED STATES HAS AN EMBASSY—Continued

Country	British	French	U.S.S.R.	People's Republic of China	Republic of China
Mauritania.....	<sup>4</sup> X	X	X	X	
Mauritius.....	X	X	X	X	
Morocco.....	X	X	X	X	
Niger.....	X	X	X	X	X
Nigeria.....	X	X	X	X	
Rwanda.....	X	X	X	X	
Senegal.....	X	X	X	X	
Sierra Leone.....	X	X	X	X	
Somali Republic.....	X	X	X	X	
South Africa.....	X	X	X	X	(1)
Sudan.....	X	X	X	X	
Swaziland.....	X	<sup>1</sup> X	X	X	X
Tanzania.....	X	X	X	X	
Togo.....	X	X	X	X	
Tunisia.....	X	X	X	X	
Uganda.....	X	X	X	X	
Upper Volta.....	X	X	X	X	X
Zaire.....	X	X	X	X	
Zambia.....	X	X	X	X	
Total.....	31	38	32	25	13

<sup>1</sup> Ambassador resident in Lusaka, Zambia.<sup>2</sup> Ambassador resident in Lusaka, Zambia.<sup>3</sup> People's Republic of China recognized but no resident to date.<sup>4</sup> Ambassador resident in Dakar, Senegal.<sup>5</sup> Represented by a Consul General in Johannesburg.

Note: France, U.S.S.R., and People's Republic of China have Ambassadors in Congo (B) where there is no U.S. representation.

Mr. HAYS. I do have one other question if you would like to supply the answer. I forgot this one. Aside from South Africa, is United States business investing any significant amount of money in Africa?

Mr. NEWSOM. Yes, Mr. Chairman. Today South Africa represents about a quarter of American investment in Africa. The rest is largely in black Africa and North Africa. Today the book value of American investment in Nigeria is almost equal to that in South Africa.

Mr. HAYS. Principally what are they investing in Nigeria?

Mr. NEWSOM. Petroleum and gas with a smaller percentage in manufacturing industries.

Mr. HAYS. Out of the petroleum produced in Nigeria, how much of it goes to the West, all of it?

Mr. NEWSOM. I would have to supply the complete breakdown for the record. We take quite a substantial portion of Nigeria crude ourselves. It is sweet crude and particularly desirable. I just heard some figures this morning.

[The information follows:]

## DESTINATION OF EXPORTED NIGERIAN OIL

	Percent
United States.....	20.4
America (countries not specified).....	4.5
Canada.....	1.9
Brazil.....	2.1
Argentina.....	0.1
France.....	18.6
United Kingdom.....	18.4
Netherlands.....	13.8
Federal Republic of Germany.....	4.5
Italy.....	4.2
Spain.....	3.3
Denmark.....	2.1
Sweden.....	1.8

## DESTINATION OF EXPORTED NIGERIAN OIL—Continued

	Percent
Norway .....	1.7
Belgium/Luxemburg .....	0.3
Japan .....	0.9
Ghana .....	0.9
Ivory Coast .....	0.5
Sierra Leone .....	0.3
Senegal .....	0.2

The above percentages were developed from an extract of the December 1971 Nigeria Trade Summary. The Nigeria Trade Summary is cited as the source of these figures, since they may differ from the amounts indicated as imports from Nigeria in trade statistics prepared by the U.S. and the other countries of destination.

By next year the United States will be taking 25 percent of its petroleum imports from Africa. That includes Nigeria, Algeria, and Libya.

Mr. HAYS. I would think that if we would take less from Algeria and Libya and more from Nigeria, we would be better off in the long run. I know you don't have anything to do with that.

Mr. NEWSOM. I do have responsibility for Algeria and Libya, all of North Africa except Egypt.

Mr. HAYS. I wouldn't want to ask you any questions you couldn't answer but you wouldn't consider the present dictator of Libya a very reliable character, would you? Would you like to answer that in Executive session?

Mr. NEWSOM. I would say on the record, Mr. Chairman, that relations with the present Government of Libya are very difficult. The particular direction of Libya policy has made our communication with Libyan leadership very difficult but that the basic U.S. interests, the petroleum companies operating in Libya, still find a business-like atmosphere in their relations with the Libyan Government and are still operating.

Mr. HAYS. I thought I would run out of questions until you mentioned you had jurisdiction in Algeria.

Do you know where Mr. Ben Bella is by any chance?

Mr. NEWSOM. Yes, sir. He is in Algeria, still under formal house arrest.

Mr. HAYS. You are sure he is not under the ground?

Mr. NEWSOM. No. We have not inquired about him recently but we are reasonably certain that he is still among the living.

Mr. HAYS. You are reasonably certain?

Mr. NEWSOM. Not having seen him—

Mr. HAYS. I was told 5 years ago by the deputy foreign minister of a country who is in much better position to know what is going on in Algeria than we are, that he was buried in Mr. Boumedien's basement. I have not heard anything from him since so maybe this fellow was not kidding with me.

Mr. NEWSOM. I don't think that is correct, Mr. Chairman.

Mr. HAYS. You don't think it is correct but you don't know that it is not.

Mr. NEWSOM. I have not seen him myself.

Mr. HAYS. Has anybody seen him whom you have any confidence in?

Mr. NEWSOM. I am told by my Algerian friends that he is still alive and his mother still sees him from time to time.

Mr. HAYS. I was told by some of my friends in the White House that nobody down there was implicated in the Watergate too up until a week or 10 days ago. So I don't always depend on what my friends tell me, so in any event, let's hope he is around for whatever value.

Any other questions?

Mr. DIGGS. To the extent that the Department has influence over the aid policy, I would like to specifically ask about what recommendations the Bureau plans to make as a replacement for aid that is being phased out of Uganda. We are on the threshold of a very drastic reduction of aid in Uganda. Uganda is one of the 10 countries that we have bilateral relationships with for aid purposes in Africa.

There are 10 slots assigned to Africa so if Uganda comes out, who is going in? More specifically, what are the chances for Zambia replacing Uganda as the 10th recipient under our worldwide bilateral relations? I am wondering whether you would so recommend to AID?

Mr. NEWSOM. As you know, we have been examining the request from Zambia for assistance. There is an AID official in Zambia at the present time, along with the World Bank mission.

We don't exclude the possibility that we might be doing more in Zambia. In actual fact while the worldwide limitations still exist, there has been considerable flexibility in their application.

I think the figure of 10 has itself been used somewhat flexibly on an annual basis so that in any given year the 10 countries receiving bilateral aid may not all necessarily be the same.

Mr. DIGGS. Thank you.

Mr. HAYS. Mr. Culver.

Mr. CULVER. Thank you, Mr. Chairman. Mr. Secretary, are you familiar with the extent of the American private investment activity that participates in the OPIC insurance program?

Mr. NEWSOM. I am familiar with the OPIC insurance program, yes.

Mr. CULVER. Are you familiar with how much of the investment is in black Africa?

Mr. NEWSOM. I don't have those figures.

Mr. CULVER. Are you familiar with how widely used it is? Do you know if it is used on a selective basis or being widely applied?

Mr. NEWSOM. It is being encouraged and it is on the increase. Mr. Mills has twice visited Africa. There were some problems from an earlier association with an investment guarantee program in Nigeria which needed to be negotiated. There are OPIC projects in a number of other black African countries.

Mr. CULVER. What was the settlement on in Nigeria?

Mr. NEWSOM. It had to do with a textile mill that was partly destroyed during the civil war and the relative obligations of the United States Government and the Nigerian Government with respect to this mill.

Mr. CULVER. How significant a problem has been nationalization in terms of OPIC?

Mr. NEWSOM. In Africa it has not been a major problem and where countries have sought greater participation in foreign investment enterprises in almost every case these have been negotiated out to the satisfaction of both parties.

Mr. CULVER. Is OPIC involved in the petroleum industry?

Mr. NEWSOM. No, they are not.

Mr. CULVER. Are they in any extractive industry at all currently?

Mr. NEWSOM. I would have to supply that. I have a feeling that they are involved in extractive industries in Zambia.

[The information requested follows:]

#### OPIC ACTIVITIES IN AFRICA

##### A. INSURANCE

As of December 31, 1972, OPIC had written a total of \$1,269,000,000 in convertibility, expropriation and war risk insurance in Africa covering total investment of \$507,000,000 and royalties and technical assistance fees of \$15,000,000. A breakdown of the foregoing coverages by country is attached.

##### B. FINANCE

As of December 31, 1972, OPIC had guaranteed loans to three projects in Africa (Kenya, Zaire, Africa-wide) totaling \$16,000,000 and made one direct loan of \$2,000,000 (Africa-wide). Another loan of \$615,000 (Ghana) has recently been approved by the OPIC Board and for which a loan agreement is now being negotiated.

##### C. LOCAL CURRENCY LOANS

As of June 30, 1972, there were 12 Cooley Loans outstanding totaling \$7,400,000 in local currency.

##### D. FEASIBILITY SURVEY GRANTS

OPIC has authorized a total of 10 studies in the agribusiness field under which U.S. food processing companies were encouraged to analyze possible investments in Africa.

#### OVERSEAS PRIVATE INVESTMENT CORPORATION—RECAPITULATION OF INSURANCE ISSUED BY COUNTRY THROUGH DEC. 31, 1972

Country	Convertibility	Expropriation	War risk
Algeria		\$15,750,000	
Angola	\$2,793,000	704,000	
Botswana	35,000,000	33,686,000	\$37,186,000
Cameroon	1,110,000	1,110,000	870,000
Congo (B)	183,000	161,000	
Ethiopia	3,247,000	4,096,000	3,397,000
Gabon	3,466,000	3,370,000	4,257,000
Ghana	42,475,000	16,823,000	16,268,000
Guinea	169,821,000	244,713,000	93,660,000
Ivory Coast	13,401,000	13,184,000	12,869,000
Kenya	35,992,000	30,963,000	29,863,000
Liberia	1,400,000	36,357,000	871,000
Malagasy Republic	2,596,000	2,596,000	2,596,000
Mauritania	170,000	165,000	165,000
Morocco	8,659,000	8,291,000	5,002,000
Nigeria	24,606,000	21,305,000	
Rwanda	80,000	80,000	
Senegal	12,629,000	12,858,000	5,108,000
Sierra Leone	15,822,000	23,572,000	22,811,000
Somali Republic	1,304,000	3,504,000	3,282,000
Southern Rhodesia	18,977,000		
Sudan		4,000,000	2,965,000
Tanzania	3,000,000	4,000,000	4,000,000
Togo	22,102,000	20,334,000	20,246,000
Tunisia	6,242,000	12,849,000	7,377,000
Uganda	713,000	748,000	128,000
Zaire	11,196,000	11,826,000	10,599,000
Zambia	4,023,000	3,263,000	2,153,000
Regional	4,400,000	4,400,000	4,400,000
Total Africa	445,407,000	534,748,000	290,073,000

OVERSEAS PRIVATE INVESTMENT CORPORATION—RECAPITULATION OF INVESTMENT COVERED  
BY POLITICAL RISK INSURANCE THROUGH DEC. 31, 1972

Country	Total loan/equity	Royalties and technical assistance fees
Algeria.....	\$15,750,000	
Angola.....	352,000	\$2,089,000
Botswana.....	45,100,000	
Cameroon.....	592,000	
Congo (B).....	112,000	
Ethiopia.....	3,285,000	
Gabon.....	3,322,000	
Ghana.....	30,492,000	3,660,000
Guinea.....	229,282,000	
Ivory Coast.....	10,659,000	
Kenya.....	18,668,000	4,800,000
Liberia.....	32,484,000	
Malagasy Republic.....	3,228,000	
Mauritania.....	378,000	
Morocco.....	5,094,000	
Nigeria.....	15,725,000	2,550,000
Rwanda.....	40,000	
Senegal.....	11,266,000	
Sierra Leone.....	13,300,000	1,125,000
Somali Republic.....	3,023,000	
Southern Rhodesia.....	12,165,000	
Sudan.....	4,000,000	
Togo.....	13,154,000	
Tanzania.....	4,000,000	
Tunisia.....	10,722,000	1,100,000
Uganda.....	384,000	
Zaire.....	8,643,000	
Zambia.....	1,976,000	400,000
Regional.....	10,000,000	
Total Africa.....	507,196,000	15,724,000

Mr. CULVER. Is that under the prior program?

Mr. NEWSOM. It is dated under the prior program, I believe.

Mr. CULVER. Thank you.

Mr. HAYS. Any other questions? If not, thank you very much, Mr. Secretary.

The subcommittee stands adjourned until 10:30 tomorrow morning. We will meet over in the Rayburn Building in room 2255.

[Whereupon, at 3:50 p.m., the subcommittee adjourned, to reconvene at 10:30 a.m., Thursday, May 3, 1973.]

## DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1974

THURSDAY, MAY 3, 1973

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS,  
*Washington, D.C.*

The subcommittee met at 10 a.m., in room 2255, Rayburn House Office Building, Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. This is the third session of hearings on the State Department authorization bill for fiscal 1974. This morning we will hear from representatives of two bureaus, the Bureau of Inter-American Affairs and the Bureau of International Organization Affairs.

The first witness is Mr. John Crimmins, Acting Assistant Secretary of State for the Bureau of Inter-American Affairs. Mr. Crimmins, we have your brief biographical sketch here which we will include in the record of the hearings at this point.

Mr. HAYS. You have also furnished us with a budget summary. Would you like to have it included at this point?

Mr. CRIMMINS. Yes, sir; I would.

Mr. HAYS. Very well, it will be included as well.

### STATEMENT OF HON. JOHN HUGH CRIMMINS, ACTING ASSISTANT SECRETARY, BUREAU OF INTER-AMERICAN AFFAIRS, DEPART- MENT OF STATE

Mr. Crimmins is a career Foreign Service Officer who came to the Department of State in 1946 and served first in a succession of positions in intelligence and research. He was First Secretary in the Embassy in Rio de Janeiro from 1957 to 1961; returned to Washington in 1961 to be Deputy Director of the Office of Caribbean and Mexican Affairs; and became Director of that office in 1962. Subsequently, he became Coordinator of Cuban Affairs in Miami in February 1963. Early in May of that year, he was named Coordinator of Cuban Affairs in Washington. It was from that key assignment that he went to Santa Domingo early in January 1966.

During his first five months in the Dominican Republic, he served as Deputy Chief of Mission and as Charge d'Affaires ad interim with the personal rank of Minister. He was appointed U.S. Ambassador in June 1966 and held that position until his appointment to his current position as Deputy Assistant Secretary of State for Inter-American Affairs in April 1969.

Mr. Crimmins was born in Massachusetts and was educated at Harvard University (A.B., 1941). During World War II, he served in the U.S. Army, attaining the rank of Lieutenant Colonel.

(61)

## BUREAU OF INTER-AMERICAN AFFAIRS—FISCAL YEAR 1974 BUDGET SUMMARY

The budget proposed by the Bureau of Inter-American Affairs under the major function "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals \$29,354,800. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 144 domestic and 665 overseas American positions and 897 local positions, all direct. Included are 3 American and 11 local positions requested in the current budget for increased consular workload.

We have 47 posts in 27 countries. There are currently 23 Embassies, 12 Consulate Generals, and 12 Consulates. In addition there are 4 Consular Agencies and one political adviser.

There is a net increase of \$1,068,200 over fiscal year 1973, which includes increases of \$1,099,100 and a \$30,900 decrease.

The increases are:

Wage increases—American and local-----	\$415, 800
Price increases-----	264, 600
Within-grade increases—American and local-----	183, 800
Additional costs for increased workload in consular area-----	96, 900
Additional costs for elevation of Nassau to diplomatic status----	90, 000
Addition costs for travel of existing commercial staffs-----	12, 000
Additional costs due to the discontinuance of diplomatic and consular franking privileges-----	36, 000

Total increases----- 1, 099, 100

The decrease is:

Currency devaluations----- 30, 900

Net increase----- 1, 068, 200

The budgeted amount of \$29,354,800 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (58.3 percent)-----	\$17, 120, 700
Local employees' salaries and related costs (includes retirement and severance payment) (17.9 percent)-----	5, 266, 700
American allowances (includes education, housing and temporary lodging) (8.9 percent)-----	2, 621, 100
Rents, telephone, telegrams and utilities (5.0 percent)-----	1, 474, 000

Over 90 percent of our expenses are salary costs, allowances, and rent and utility costs. The remaining categories are:

Travel and transportation of persons (includes consultation trips, post- to-post details, rest and recuperation travel, medical, educational, and within-area travel) (1.5 percent)-----	\$440, 800
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight and similar costs) (0.8 percent)-----	217, 700
Building operations, maintenance of equipment and automobiles, official residence expenses, and security guards (4.9 percent)-----	1, 439, 800
Supplies (includes office, medical, security, automotive, and clothing for marine guards) (1.8 percent)-----	521, 700
Equipment (includes furnishings for office and household; office ma- chines; security; telephone and medical equipment; and books and maps) (0.9 percent)-----	252, 300

Mr. HAYS. Mr. Crimmins, on this budget summary, I have a couple of questions I would like to ask. I see you have in the "Other than salaries, building operations, maintenance, equipment, automobiles, official residences and security guard" \$1,439,800. How much of that is short-term leases?

Mr. CRIMMINS. I cannot address that, Mr. Chairman, in detail. I can give you a figure on rentals. It runs in the neighborhood of \$800,000, sir, overseas, \$819,400 for rentals.

NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLO

LATIN AMERICAN REPUBLICS	TOTAL ALL AGENCIES		AID								USIA		PEACE CORPS						AGRICULTURE		COMMERCE				
			TOTAL		STATE DIRECT		REIMB.		DIRECT HIRE INCL PASA				CONTRACT		STAFF		VOL	CONTRACT		STAFF		CONTRACT		STAFF	
	US	FN			US	FN	US	FN	US	FN	US	FN	US	FN	US	FN		US	FN	US	FN	US	FN	US	FN
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US
Argentina	134	215	65	100	37	49	28	51	7	17	19	26	21	64	-	-	-	-	-	5	2	-	-	1	2
Bahamas	21	12	9	12	9	12	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	
Barbados & East Carib.	145	30	12	16	10	12	2	4	-	-	-	-	-	1	5	4	126	-	3	-	-	-	1	-	
Bolivia	102	185	43	46	19	21	24	25	34	110	16	3	6	26	-	-	-	-	-	-	-	-	-	-	
Brazil	687	646	131	244	68	95	63	149	81	184	60	22	36	142	13	17	351	-	20	5	5	-	5	1	
British Honduras	44	14	5	7	5	6	-	1	-	-	-	-	-	-	1	3	38	-	4	-	-	-	-	-	
Chile	136	481	57	63	26	28	31	35	9	24	1	4	11	32	1	5	38	-	5	1	3	-	-	-	
Colombia	370	252	64	84	34	47	30	37	45	69	10	17	17	29	5	12	215	2	36	3	3	-	-	1	
Costa Rica	122	100	27	47	15	20	12	27	14	24	8	6	3	11	2	4	65	-	6	1	2	-	-	-	
Dominican Republic	185	224	60	131	31	55	29	76	32	39	20	37	3	9	3	4	64	1	3	2	1	-	-	-	
Ecuador	394	344	52	56	27	26	25	30	30	63	10	45	9	24	4	9	215	3	7	1	2	-	-	-	
El Salvador	129	114	29	59	17	22	12	37	17	20	15	11	5	8	2	3	53	-	11	2	2	-	-	-	
Guatemala	229	214	44	43	21	20	23	23	59	99	24	29	5	26	2	6	94	-	7	1	2	-	1	-	
Guyana	33	52	16	20	9	9	7	11	14	19	1	4	2	9	-	-	-	-	-	-	-	-	-	-	
Haiti	32	60	25	52	16	28	9	24	5	-	-	-	2	8	-	-	-	-	-	-	-	-	-	-	
Honduras	207	122	27	53	15	20	12	33	26	21	13	23	3	8	4	6	129	-	4	-	-	-	-	5	
Jamaica	208	79	25	54	18	33	7	21	7	4	-	-	2	6	3	5	169	-	5	-	-	-	-	2	
Mexico	302	773	166	388	125	225	41	163	4	25	1	-	26	131	-	-	-	-	-	28	206	-	-	10	
Netherlands Antilles	6	9	6	9	6	8	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nicaragua	142	104	22	47	14	17	8	30	20	31	12	8	3	8	2	1	79	-	9	-	-	-	-	-	
Panama	127	153	40	42	26	22	14	20	50	76	18	14	9	21	-	-	-	-	-	1	-	-	-	-	
Paraguay	118	119	19	52	13	16	6	36	23	38	7	13	5	9	3	4	56	1	3	-	-	-	-	-	
Peru	224	238	55	70	27	27	28	43	29	63	8	37	15	28	5	10	103	6	10	1	3	-	-	-	
Surinam	5	5	5	5	5	4	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trinidad-Tobago	21	48	18	30	14	19	4	11	-	-	1	1	1	10	-	-	-	-	-	1	2	-	-	-	
Uruguay	69	111	41	49	19	20	22	29	13	19	3	12	7	27	1	3	3	1	-	-	1	-	-	-	
Venezuela	233	143	65	76	33	34	32	42	8	9	4	1	13	31	5	9	127	-	9	3	2	-	6	1	
TOTALS	4425	4847	1128	1855	659	895	469	960	527	954	251	313	204	668	61	105	1925	14	142	58	236	-	12	22	21

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

OMATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

CE		HEW				JUSTICE		NASA				TRANSPORTATION			TREASURY		ABMC/AEC/EPA/EX-1M				GSA/HUD/INTERIOR				NSF/SMITH/TVA/VA				
CONTRACT		STAFF		CONTRACT				STAFF		CONTRACT								STAFF		CONTRACT		STAFF		CONTRACT		STAFF		CONTRACT	
US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	CG	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	
-	3	-	-	-	-	14	1	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	1	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	1	-	-	3	-	-	-	-	-	-	1	-	5	-	-	-	-	-	-	-	-	-	-	-	-	5	
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-	-	-	-	-	21	-	-	2	-	4	227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	97	
-	-	-	-	-	1	2	-	-	-	-	-	-	3	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	1	-	1	-	67	138	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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-	8	1	1	-	2	53	1	-	-	-	-	-	-	-	11	1	2	2	-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	1	-	3	-	-	-	-	-	-	4	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	2	-	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	
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-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	13	7	2	1	30	100	2	3	-	72	384	-	11	1	27	1	2	2	-	-	-	-	-	-	-	-	12	106	





Mr. HAYS. That is the figure I wanted. I don't care whether you call them rentals or short-term leases. In other words, you are spending \$800,000 a year for rentals. Now, what categories do those fall in? Is that mainly embassy residences, or office space?

Mr. CRIMMINS. I don't have the breakdown in terms of dollar amounts, Mr. Chairman, but my expectation would be that the principal element in the \$819,000 would be office space rentals. It includes all Government leased property whether it is office space, residences, warehouses, et cetera.

Mr. HAYS. The point I'm trying to make and I think all of you people—whether you are acting or whatever you are—ought to be looking toward fewer rentals and more Government-owned space. I know you have a problem with the Bureau of the Budget but it's pretty obvious the Bureau of Budget is penny-wise and pound-foolish in the extreme. They only look at the annual expenditure and if you multiply that \$800,000 by 5 years that is \$4 million that you are spending in rentals over a 5-year period.

For example—and I referred to this yesterday and at the risk of being a bore I will refer to it again—the rental you had in—not you but the Bureau—in Colombia, where we rented a building—two-thirds of a building. Five years later we had paid more than the cost of the building in rent. If I hadn't really gotten after the Department, I suppose it would still be leasing that space and be paying for the building all over again.

Now we have our own building which didn't cost as much as 5 years' rental on the other and presumably the amount of cost to the Government would be very slight each year.

So I think you ought to be pushing for this and you will find that you will get some assistance here, at least as long as I am chairman of this committee.

Mr. CRIMMINS. I personally welcome this, Mr. Chairman. From my own experience I have found, in addition to the cost factor which is very important and which is the central point, there are administrative complications in the handling of rented property that create a lot of headaches.

Mr. HAYS. I was amazed to hear one of your colleagues tell me yesterday that in renting property you now agree to do all the maintenance on it. So it would be far better to own it and do the maintenance than it would be to rent it at an exorbitant price and pay for the maintenance as well. I would like to see all of you down there in the various geographical areas put some pressure on to get rid of this annual rental.

Do you have any questions on that phase of it, Governor?

Mr. THOMSON. No.

Mr. HAYS. Like all the other witnesses, I see that you are asking, Mr. Crimmins, for an increase and you blame that, I assume, on inflation and what else?

Mr. CRIMMINS. Well, the normal process of wage increases accelerated by inflation, Mr. Chairman. Of the net increase that the Bureau is seeking of \$1,068,200, of which \$936,000 is for operating expenses, the bulk, as you note from the budget summary, rests in wage increases, price increases, within-grade increases, both for American and local personnel.

Mr. HAYS. I have one question about that and it is not critical. It is a matter of curiosity. I notice that you only attribute \$30,900 of this to currency devaluation. Would I be correct in assuming that the reason it is so small is because many of the Latin American countries devalued along with us?

Mr. CRIMMINS. Yes, sir. This is, in part, the reason, Mr. Chairman. As you know, most of the Latin American countries associate their currencies with the dollar and as we devalued they devalued. There were only, to my recollection, two exceptions to the accompaniment of the local currencies to the dollar devaluation.

That \$30,900 figure, Mr. Chairman, is based on reasonably predictable devaluations in the case of Brazil and Colombia. Both Brazil and Colombia have followed, over the last several years, the so-called crawling peg system of devaluation. They make periodic small adjustments in the value of the currency. These are predictable within certain ranges. That \$30,900 saving in effect represented by devaluation refers to those two circumstances.

Mr. HAYS. Mr. Crimmins, on page 20 in the budget, it shows a U.S. assessment of \$22.5 million in fiscal 1974 for our contribution to the OAS. What percentage of the total OAS budget does that represent?

Mr. CRIMMINS. This represents 66 percent, Mr. Chairman. I understand that the questions of the OAS contribution will be addressed by the International Organization Bureau.

Mr. HAYS. Don't you think 66 percent is a little bit high?

Mr. CRIMMINS. Not in relation to the circumstances that exist in the Organization of American States, Mr. Chairman. I don't think that it's comparable really with the situation in the United Nations where our contribution is considerably less. As I say, these questions will be addressed in detail, as I understand it, in the IO presentations.

Mr. HAYS. Well, you have jurisdiction over this area. Is Canada a member of the OAS?

Mr. CRIMMINS. No, sir. It is a permanent observer to the OAS.

Mr. HAYS. Does it pay any of the costs?

Mr. CRIMMINS. No, sir; it does not. The permanent observers do not contribute to the budget of the OAS.

Mr. HAYS. Who is the next largest contributor to us?

Mr. CRIMMINS. Mexico, with 7.13 percent.

Mr. HAYS. What percentage of the OAS personnel are U.S. citizens? Would you know that?

Mr. CRIMMINS. If my recollection is correct—and I can provide precise information for the record, Mr. Chairman—approximately 300 of the 1,200 employees of the OAS are American citizens. It's in that range, but I will provide precise figures for the record.

[The requested information follows:]

PERCENTAGE OF U.S. CITIZEN EMPLOYEES OF THE OAS AS COMPARED TO THE TOTAL OAS EMPLOYEES AS OF  
DEC. 31, 1972

	Number	Percent
U.S. citizens.....	256	22.73
Other.....	870	77.27
Total.....	1,126	100.00

Mr. HAYS. What would you think if the committee wrote in a provision making the percentage of our contribution to the OAS more nearly in line with the percentage of U.S. nationals that are employed? I can almost predict what your answer will be.

Mr. CRIMMINS. Well, I don't think this is an appropriate criterion.

Mr. HAYS. What would you consider an appropriate criterion?

Mr. CRIMMINS. Well, I think that the criteria that are used for the determination of this percentage by us continue to be valid. I think that our relative well-being, if you want to put it that way, our relative economic strength justifies this contribution, this proportion of the contribution to the OAS. We have this question, of course, under review; but our judgment at the present time is that the maintenance at the present level is in the national interest and is based on objective criteria that, taken together, suggest the maintenance of the present proportion.

Mr. HAYS. Mr. Crimmins, if this is coming up for review and you have already decided that we should pay as much as we are, there isn't much point in reviewing it then, is there?

Mr. CRIMMINS. Well, I think that we have this constantly under review, Mr. Chairman. I don't want to suggest in any way that there is an absolute closed mind on the part of the executive branch with respect to this question. It does present a continuing point of interest, certainly on the part of the Congress, as your questions reflect.

Mr. HAYS. Suppose you put the gross national product of all these countries together, including ours, and added it up and then took each country's percentage. Would we have 66 $\frac{2}{3}$  percent of the gross national product of the total hemisphere, excluding Canada?

Mr. CRIMMINS. I think we would probably come quite close to that, Mr. Chairman.

Mr. HAYS. I would like to see the figures. Could you get them for me?

Mr. CRIMMINS. Yes.

Mr. HAYS. I think they would be very interesting as a part of the record because I would have some doubts about the validity of that. I don't know.

[The information follows:]

GROSS NATIONAL PRODUCT OF MEMBER COUNTRIES OF THE OAS COMPARED WITH THEIR CONTRIBUTIONS TO THE OAS OPERATING FUNDS

	GNP (based on 1969 IMF figures)		Fiscal year 1973 regular fund assessment	
	Amount (in millions)	Percent	Dollars	Percent
United States.....	763,700	87.56	\$17,803,765	<sup>1</sup> 66.00
All others but Cuba.....	105,171	12.05	8,820,954	<sup>2</sup> 32.70
Subtotal.....	868,871	99.61	26,624,719	98.70
Cuba (participation suspended).....	3,433	.39		1.30
Total.....	872,304	100.00	26,624,719	100.00

<sup>1</sup> Plus 66 percent of Cuba's 1.30 percent assessment.

<sup>2</sup> Plus 32.70 percent of Cuba's 1.30 percent assessment.

One final question on the OAS. I'm not an expert on it, obviously. I don't spend too much time in this field. But what specific accomplishments of this organization can you point to in the past several years, if any?

Mr. CRIMMINS. Well, I would like to preface my comments on that point, Mr. Chairman, by calling the attention of the committee to the fact that very recently in the meeting of the General Assembly of the Organization of American States in the middle of April, there was a unanimous decision to examine what is essentially the question of the relevance of the Organization of American States and its various components in the current world circumstances taking into account particularly the system of inter-American economic development co-operation, of which the OAS forms part.

So in the next 6 months there will be a very thorough ongoing review by the member countries of the OAS, of the ways in which the OAS, and, indeed, the whole inter-American system can be better adapted to the circumstances of the 1970's.

With respect to the accomplishments of the OAS, I think that the fact that one of the great strengths of the inter-American system is its emphasis on the pacific settlement of disputes should be borne in mind, and I think that the fact that conflicts within Latin America, particularly between States, have not been a feature of the inter-American landscape demonstrates the important pacific settlement role that is inherent in the system.

Now, in recent years, certainly in the last 5 to 10 years, the system, and particularly the Organization of American States as the principal element in the system, has devoted increasing attention to the problem of economic development and a structure of organizations is in place for the furtherance of the common goal—that is, the goal shared by the Latin American members and by the United States—of economic and social development.

I believe, in general, that the Organization of American States has played a very useful role in the emphasis on this basic sector of inter-American relations. The provision of technical assistance through the Organization of American States, although not certainly entirely satisfactory in this uncertain field, has been constantly improving, in our judgment.

The basic issues of economic development, the basic issues of the relationship between the developed countries and the less-developed countries, of course, come to the surface in the Organization, in the inter-American system in general, and there has been, over the last 3 years particularly, a series of addresses by the organs of the inter-American system, particularly the Inter-American Economic and Social Council, to these conflicts.

Now, the fact that these different points of view as between the United States as a developed country and the rest of the membership of the OAS as all less-developed countries have produced a certain atmosphere of confrontation in the system, a sterile confrontation if I might say that, is at the heart of the review of the system that I referred to earlier as being undertaken in the next 6 months.

But the inter-American system—and here I depart from the Organization of American States specifically—also has, as you know, very important collective security elements, notably incorporated in the Treaty of Reciprocal Assistance, the so-called Rio Treaty. This

has been a very important element not only to us but to the other members of the Organization. Most recently, the collective security aspects of the system were brought into play in the Salvador and Honduran war of 1969, and I think that in objectivity it must be noted that here again the inter-American system, both with respect to its provision of the means for pacific settlement of disputes and in its collective security aspects, played a very positive role in bringing a halt to the hostilities and providing a base for resolution of the dispute between the two countries.

Mr. HAYS. I would guess from my experience with international organizations, Mr. Crimmins, that if there's a review by the 14 bureaucrats that draw salaries from it that it will come out very favorable to the OAS.

Mr. CRIMMINS. Mr. Chairman, if I may make this observation, the review will not be by the Secretariat of the Organization. It will be by special representatives from each government and the role of the Secretariat in the review will simply be the classical one of providing administrative backstopping to the effort.

But it is very clear—and this is one of the principal elements in the decision to go ahead with the review—that there will be representatives of the governments who will conduct this and the role of the Secretariat will be a minimal one.

Mr. HAYS. I'm sure you believe that and I'm sure they probably intend it, but I have also seen the representatives of governments in these international organizations and most of them can't tell you what time it is unless somebody in the Secretariat looks at the clock, and that includes our own.

Is the Alliance for Progress still alive? I don't hear much about it any more.

Mr. CRIMMINS. I think, Mr. Chairman, that the principles of the Alliance are very much alive as I think various major policy statements by the administration have made clear over the last 4 years.

The name, "The Alliance for Progress," has certainly fallen into some disuse, but the principles of a common address, a mutual address, to the problems of the economic and social development—these principles that are incorporated in the charter of the Alliance dating back to 1961 certainly continue to be guidelines for the members of the Alliance.

Now, I think it is important to note that as the Alliance developed it was a real alliance in the sense that 90 percent of the investment going into development in economic and social fields was provided by the Latin American members themselves. Our participation has been in the order of 10 percent.

Mr. HAYS. Do the other countries in the hemisphere place much stock in the Alliance for Progress any more?

Mr. CRIMMINS. I think that the other countries of the hemisphere recognize that the changing world circumstances, Mr. Chairman, have tended to downgrade or tended to put in perhaps better proportion the contributions to development that official development assistance can provide. The great thrust among the Latin American membership of the Alliance, certainly in the last 3 or 4 years, has been in the direction of improving the access of their exports to the markets of the developed countries. In other words, in the view of the Latin

Americans, trade is central to the development effort as a vehicle for—to use the jargon—resource transfer.

Official development assistance in itself, although still maintained at a respectable level, has tended to take a secondary place.

Mr. HAYS. Mr. Crimmins, how many military assistance advisory groups, MAAG's, do we have in Latin America?

Mr. CRIMMINS. I think we have 17, Mr. Chairman. They number in total about 290 personnel, military personnel, which figure stands in rather sharp contrast to the levels as recently as 1968. The level in 1968, if I recall, was very close to 800, but there has been very significant diminution in the size of our military groups.

Mr. HAYS. I expect that of the 290 about 110 of them are colonels, wouldn't you think?

Mr. CRIMMINS. No, sir, I don't think that's the case.

Mr. HAYS. It is not quite that high?

Mr. CRIMMINS. I don't think it's quite that high; no, sir; by a considerable margin.

Mr. HAYS. Don't you think these could be eliminated without any damage to our relations, totally eliminated?

Mr. CRIMMINS. No, sir; I don't. I think that they play an important role.

Mr. HAYS. Why?

Mr. CRIMMINS. In the first instance, I think that as providers of technical assistance, advisory services, to the very important military establishments in Latin America they have a function that cannot be served by any other means. As administrators of the military assistance program, including the foreign military sales credits, I think they have another important role.

Mr. HAYS. Do you think there's any real reason for us to sell military hardware to Latin America? What other military establishments do? They haven't fought a war since there's been a Latin America except against each other. They have made no contribution to any of the world wars, none whatsoever. There was a brigade of Brazilians over in Italy, but find out what they were doing there—they weren't fighting.

Mr. CRIMMINS. There were contributions in the Korean war on a modest scale, a necessarily modest scale. There were, of course, the peacekeeping functions in the Dominican Republic in 1965 where there were six nations represented in the inter-American peace force.

Mr. HAYS. Do we have a MAAG group in Mexico?

Mr. CRIMMINS. No, sir; we do not.

Mr. HAYS. How do the Mexicans struggle along without us telling them how to run their military?

Mr. CRIMMINS. The Mexicans do not—

Mr. HAYS. They don't want one. That's the whole thing.

Mr. CRIMMINS. They don't see the need for one.

Mr. HAYS. That's right.

Mr. CRIMMINS. Of course, our relations with the Mexican military are maintained through the Defense attaché system.

Mr. HAYS. Which is a perfectly legitimate way to do it, the way we do it most other places in the world.

Mr. CRIMMINS. On the other hand, Mr. Chairman, I think it should be noted that the Mexican military establishment does not appear interested in military assistance or the foreign military credits to any

degree, which as I indicated earlier is an important element in the function of the military groups.

Now, if I may continue with addressing myself to the question that you raised earlier with respect to the need on the part of the Latin Americans for military establishments, I think that, to a very real extent, the military establishment is the expression of sovereignty. There are internal defense questions that have to be addressed by many of these countries. There are external matters, not only with respect to the kind of peacekeeping function that I mentioned, but also the bilateral relations that you touched upon. I think that it would be highly paternalistic of the U.S. Government to take the position that military establishments are unnecessary in Latin America. This is a judgment that simply wouldn't be accepted.

Mr. HAYS. I don't say they couldn't do without them totally; if they didn't have any they couldn't be running down our fishing boats and capturing them in international waters and things like that, which would make it very embarrassing for them to do that. Do we have a MAG group in Argentina?

Mr. CRIMMINS. Yes, we do.

Mr. HAYS. What in the name of God's sense is the sense of us having a MAG group in a military dictatorship? Can you answer that question in 5 minutes or so?

Mr. CRIMMINS. Surely, Mr. Chairman. I think that, in the first instance, the military group in Argentina represents a channel of contact with the very important military establishment in Argentina. You referred to a military dictatorship. I should point out that it is the military government of Argentina that has overseen and provided for the recent free elections in Argentina.

Mr. HAYS. I'm waiting with bated breath to see whether this fellow who was elected ever takes office or not. I wouldn't want to gamble very much of next month's salary that he will. So let's not get too euphoric on that until we cross that bridge.

Mr. CRIMMINS. I didn't consider myself as being euphoric.

Mr. HAYS. I know, but about the only credit that anybody can give them is that they have overseen an election. Now we will wait and see if they will let the fellow take office.

Mr. CRIMMINS. It is not for me to say what credits should be given to what governments for what.

Mr. HAYS. It is up to us, because we are spending the U.S. taxpayers' money down there to keep a big military assistance group in that country presumably to tell them how to keep control of the people.

Mr. CRIMMINS. This is not the function of the military group and I think it would be a very erroneous impression to leave that the military group is in any way dedicated to the proposition that it is assisting any government in maintaining control.

Mr. HAYS. If they channel weapons to them they are assisting them, whether ideologically they believe that way or not. When they are channeling weapons—and you, yourself, just said that the most important function they had was this military sales function.

Mr. CRIMMINS. Mr. Chairman, let me make the point that if there is any belief on the part of anyone really that we are going to be able to keep these military establishments from maintaining their weapons inventory in a reasonable condition, I think it is misplaced.

Mr. HAYS. I know exactly what you are going to say. If we don't give them to them at cutrate prices they will buy them someplace else.

Mr. CRIMMINS. We do not give them at cutrate prices.

Mr. HAYS. Yes, we do.

Mr. CRIMMINS. No, we do not. One of the great problems with respect to the declining participation of the United States in the provision of military equipment in Latin America is the fact that we are not competitive even with foreign military credit. This is one of the serious aspects of this question.

Now, my central point here, Mr. Chairman, is that these military establishments—these governments indeed—are going to be buying equipment, and I think it is very important to get in the record that the suggestion that an enormous amount of the gross national product of the region goes to military establishments is not factual. The percentage of the regional gross national product that goes to the military establishment in Latin America continues to be slightly below 2 percent. It has been that for some time, and this is one of the lowest, if not indeed the lowest, percentage of regional GNP to be devoted to military establishments in the world. So I would regret it if there were any suggestion that there is some kind of enormous expenditure on the part of the Latin American governments on either the military establishments or on military equipment.

Mr. HAYS. All I know, Mr. Crimmins, is that some years ago I sponsored an amendment which set a limit on the amount of money that could be used to finance sales to Latin America and every year since then both the State Department and the Department of Defense have been prying the lid off that limit and upping it and upping it and being allowed to sell more and more. I have a feeling that of all the areas of the world that do not need very much military equipment Latin America ought to lead all the rest, and I have seen nothing and heard no arguments which are going to change my mind.

Mr. CRIMMINS. Well as you know, Mr. Chairman—

Mr. HAYS. Because, as I have said over and over again, there are only two things they can use it for; fighting each other or for internal security, if you want to use that sanitized language, which could be called a lot of other things depending on how it varies from country to country. But I think it is fairly significant that probably the one country that has done the best job over the years in increasing their GNP, in modernization, and in social services is Mexico. I give them a lot of credit for it and they do not want any military equipment from us. They do not want any MAAG group down there. They do not see the need for it, to use your own words, and I think a lot of those other countries could take a leaf out of their book.

Mr. CRIMMINS. I think, of course, as you well know, Mr. Chairman, it is very difficult to apply the experiences of any given country in a region so diverse as Latin America to any other countries. I think that the situation in Mexico is quite different from the situation in most of the other countries of Latin America. It has had its revolution, in effect. It is a maturing society and I think that its experiences are not readily transferrable to most of the other countries in the hemisphere.

Mr. HAYS. Are you saying that the society in Argentina is not a maturing society or Brazil is not a maturing society?

Mr. CRIMMINS. I don't want to get into comparisons.

Mr. HAYS. You said the Mexicans are, and you left the inference that the rest of them aren't. I just wondered how they are going to like that.

Mr. CRIMMINS. There are very many maturing societies, but each of the processes of maturation, Mr. Chairman, is different, and I repeat my observation that to suggest that the experience of one country, whether it is Mexico or Brazil or Argentina or Peru, is transferrable to entirely different situations, entirely different societies, is really not wise.

Mr. HAYS. I have some other questions but I will defer for the time being. Governor Thomson.

Mr. THOMSON. Mr. Crimmins, how much of this budget is for representation allowances? I don't see it in here.

Mr. CRIMMINS. The total for fiscal year 1972, Mr. Thomson, was \$215,000. The estimate for 1974 is \$234,000, sir, which is a \$19,000 increase over 1972.

Mr. THOMSON. That is the increase in the cost of liquor?

Mr. CRIMMINS. I think it's probably the increase in the cost of living in Latin America, Mr. Thomson. I am not familiar with the rises in the cost of liquor, but I am sure they have risen as everything else around the world has.

Mr. HAYS. We have to get this in the record, Mr. Crimmins, so Mr. Gross won't ask it in the committee.

Mr. THOMSON. I notice you have an additional cost due to the discontinuance of diplomatic and consular franking privileges. Is that a new item?

Mr. CRIMMINS. Yes, sir. This is the result of the rescission in effect of the provision of a convention, a postal convention among the Latin American States, the United States, and Spain. This occurred just before the beginning of the fiscal year 1973. The franking privileges, by mutual agreement among the parties to the convention, have been withdrawn with the result that the governments parties to the agreement with some exceptions now pay, where before they had a franking privilege.

In essence, Mr. Thomson, what has happened here in my view is that the Postal Service of the United States is making some money as a result of the rescission of the franking privilege by other Latin American States and the Department is absorbing—is paying for its own postal services in other countries throughout the hemisphere. In other words, this is a one-pocket-to-another-pocket situation.

Mr. HAYS. Are you saying that you can't frank a letter in Guatemala, for example, to another point in Guatemala?

Mr. CRIMMINS. This is what is essentially the case.

Mr. HAYS. They are still doing it here, every one of them, because I have gotten at least five invitations in the last 2 weeks to a cocktail party at some Latin American embassy which came under the frank.

Mr. CRIMMINS. The technical details of this, Mr. Chairman, I would be glad to provide, but as I say—

Mr. HAYS. I have yet to see any postage on any diplomatic mail that comes into my office from anywhere, so I would like to have the technical details. I just wonder if this is a one-way street.

Mr. CRIMMINS. Are you sure these have been invitations from Latin American embassies?

Mr. HAYS. I know which countries in the world are in Latin America, Mr. Crimmins. I am not completely stupid. When I look at the name of the ambassador of the country I know what part of the world it's in. I got one just this morning from a Latin American country that was franked.

Mr. CRIMMINS. Let me say this, Mr. Chairman, that all of the parties to the convention that has been modified and that has given rise to this budget item are subject to the withdrawal of the franking privilege. Now, I will be, as I indicated, very happy to provide for the committee details on how the new system operates in order to clarify what may be anomalies that you referred to. But I very well know that several Latin American countries, although participating in this modification of the convention, because of pressures from their own postal services—the same kind of pressures that our Postal Service exerted—have not been particularly happy with the additional cost that they have had to absorb, as we have had to absorb; but I will provide it for the record.

[The information follows:]

The U.S. Postal Service advises that its policing of franked mail has not been fully implemented. Material is being returned to the sender in ever increasing volume, however. Furthermore, because of the time element and obvious importance, USPS is sometimes reluctant to return franked mail when the addressee is a member of the U.S. Congress.

Mr. HAYS. If they are mailing any mail in this country they have got a right to be unhappy. I'll tell you that.

Mr. THOMSON. Mr. Crimmins, in your tabulation you have an increase of \$521,000 under the heading, "Supplies, office and medical, automotive, clothing for Marine guards." I thought the Marines took care of their own clothing.

Mr. CRIMMINS. I don't know what proportion of that increase is represented by clothing for the Marine guards. It was just pointed out to me, Mr. Thomson, that this is the total amount and not an increase. This is the breakdown, you will note, of the remaining categories above the basic ones that represent 10 percent of the budget. So this is not an increase. It's a repetition of earlier figures.

Now, with respect to the clothing for the Marine guards, as I say, I do not know what proportion of that line item, \$521,700, is represented for clothing for Marine guards, and I do not have the details of the jurisdiction for that, but I would be very glad to provide it for the committee.

[The information requested follows:]

The Bureau's fiscal year 1974 budget estimates include \$14,000 for Marine Guard Clothing. By agreement with the U.S. Marine Corps, the Department of State finances approximately \$320 in civilian clothing for each Marine assigned to security guard duty overseas. Civilian clothing is required since it would be inappropriate for Marines to wear uniforms during off duty hours.

Mr. THOMSON. I wish you would. One other item you list there is "security." You say this is no increase but I thought the needs of security worldwide provided a great increase around the world. It seems strange there wouldn't be the needs for security in Latin America.

Mr. CRIMMINS. Of course there are very real security needs in Latin America. I think one of the factors that must be borne in mind,

Mr. Thomson, is that in Latin America the security situation required for the last 3 years the allocation of funds. Let me put it this way, the base for security expenditures has been established over the last 2 or 3 years. In some respects—I say this wryly—some of the countries of Latin America were the forerunners with respect to the difficult security situations as contrasted to some other areas of the world. Therefore, the expenditure base was established earlier on in the region than other parts of the world.

Mr. HAYS. Would the gentleman yield for a little explanation?

Mr. THOMSON. Yes.

Mr. HAYS. I think yesterday—I'm not sure you were here at the time, Governor—but it was explained they are coming up with a \$35 million item for security. They had this cute little section in this bill which they have always had. We just went through all this rigamarole of why they need what. And then they have a section where they are authorized to be appropriated such additional and supplemental amounts that may be necessary for salaries, pay, retirement, and for other nondiscretionary costs and for expenses and programs of other activities, which is a wide open gate. It means that we might as well have not had any hearings at all. So somebody had to introduce the bill and they sent it to me and when I introduced it I just left that cute little section out. From now on they are going to have to tell us how much they want when they want it. That is why they are going to come in with a \$35 million additional item for security which was not in that bill. Apparently they had no intention of putting it in. They were going right around us to the appropriations committees with a supplemental request. That might be your answer, Mr. Crimmins, which you might not have even known about.

Mr. KAZEN. Mr. Chairman, I just have one general question. I understand that we have been reducing our personnel overseas all over the world. I know that they shut down the American consulate in Piedras Negras across from Eagle Pass last session. They have reduced the function of the Nuevo Laredo consulate along the border, which I objected to very strenuously but to no avail, and the answer I got was that we were economizing and that we were just cutting down.

Yet I see in the 10-year history that 1974—and it is an estimate—has an increase in positions. How do you justify this?

Mr. CRIMMINS. In the consular area?

Mr. KAZEN. In administration of foreign affairs.

Mr. CRIMMINS. Well, the only increases are in the consular area. There are 3 American positions requested and 11 positions for local employees, all in the consular area. One of the American positions is in Nassau; one is in Kingston; and one is in Mexico City. Five of the local employee increases are in Mexico. The other six are essentially in the Caribbean area. Two of them are in Colombia and four others are in the Caribbean area.

Mr. KAZEN. In other words, what you're telling me is that the personnel that have been cut are the working personnel but the administration end of it has been raised as far as overseas positions?

Mr. CRIMMINS. No, sir. I wouldn't put it that way. I don't consider visa officers—and these three American positions are visa officers—are administrative personnel. From my own close experience, the last de-

scription that I would apply to visa officers is that they are administrative personnel. They are working stiff in every respect.

Mr. KAZEN. Mr. Crimmins, I refer you to page 6 in the budget of the Department. These are positions overseas broken down into domestic, Americans, locals.

Mr. CRIMMINS. Yes, sir.

Mr. KAZEN. All right. The year 1973—well, let's start back with 1972 when the cutbacks began. We had 3,750 American positions overseas. In 1973, instead of showing a cut, we have increased it to 3,764; and estimated for 1974 a further increase to 3,784.

Mr. CRIMMINS. Yes, sir.

Mr. KAZEN. Now, where is your personnel cut?

Mr. CRIMMINS. Well, I, of course, can't address these conglomerate figures, Mr. Kazen. With respect to the Latin American region, the Bureau of Inter-American Affairs, the figures for 1972, the actual figures, were 807 Americans. In 1973, 806; and the estimate for 1974 is 809. So there has been since 1972 a net increase of—and this is proposed for 1974—a net increase of two positions which is roughly—well, it's less than 1 percent. It's close to 0.1 percent.

Mr. KAZEN. But when they come to cuts, I'm talking about the entire State Department budget, when they tell me that they have got to cut out functions that are necessary to service our people and the people coming in from Mexico and they are reducing everything along the border to almost nil, and these are your real working consulates there, and they give me the excuse that the reason they are doing it is because of savings, that they have to tighten their belt, and then I come here and look at the worldwide picture and I see that they are only tightening their belt in certain sections but letting it out somewhere else—

Mr. HAYS. Would the gentleman yield?

Mr. KAZEN. Yes.

Mr. HAYS. I saw that consulate in Laredo and there were dozens of people waiting the two or three times I have been there. How many people did they cut there?

Mr. KAZEN. I don't remember, but they projected now to have only the vice consul or the consul and one other person.

Mr. HAYS. And the gentleman from Texas has protested this?

Mr. KAZEN. Oh, yes.

Mr. HAYS. I will just say publicly that I have had a minimum of high regard—to steal a phrase from John McCormick—for the intelligence of a lot of people in the State Department, but I have even got an even more minimal high regard when they ignore the protest of a member of this committee who has charge of their budget. I think what we need to do to them is cut their budget severely in line with their protestations that they don't need so many people. That's the way to handle that, and maybe the next time you talk to them down there they will pay some attention to you.

Mr. KAZEN. I never like to do it on that basis.

Mr. HAYS. That's the only basis, Mr. Kazen, that you're going to operate on with these people. I have found out there is no other way. You can reason with them; you can talk to them; you can plead with them, but when it comes down—and the State Department is probably not as bad in this area as the USIA or the AID people—the only thing they understand in the end, as Abraham Lincoln said one time "It's

not nice to beat a mule but sometimes you have to hit them over the head to get his attention." That's one way to get their attention.

Mr. KAZEN. We just had two people in Nuevo Laredo at the beginning of this—Cotterman who was the consul and Paul Solomon and one other person—just two people, and at the largest inland port in the United States.

Mr. HAYS. That's ridiculous.

Mr. KAZEN. But, Mr. Chairman, I don't like to do business that way. I thank you for your advice, but if they can show me that they are not doing the work this is fine, but if the work is there and they have got to do it I don't like these excuses of we've got to economize and therefore this is the most desirable place. I have seen that happen to me just 2 weeks ago when they closed my airbase down at Laredo. They had other airbases in the training command that I showed them where the efficiency rating was not as high as it was there, but they just pick on that one and out it goes for no rhyme or reason. I don't object to being cut out and saving money in the State Department or anywhere else as long as it's done across the board, but when they give the excuse that they are going to cut and then I see that they have actually increased positions instead of cutting, I say that some other reason exists. That's all I have, Mr. Chairman.

Mr. HAYS. Mr. Buchanan.

Mr. BUCHANAN. Mr. Chairman, I don't have any questions at this time. I would like to commend the Chair for leaving out the proposed section 105 in introducing the bill and to say that I appreciate very much the work of the State Department and many of its people, but whoever thought they could get that one by Wayne Hays and H. R. Gross was dreaming the impossible dream.

Mr. HAYS. Thank you very much, Mr. Buchanan.

Mr. CRIMMINS. I just have one other question myself. Maybe you won't want to answer it. Probably you won't. But under the tab, "U.S. Personnel Overseas," there is a table showing U.S. civilian personnel strength in the "Latin American Republics," 27 countries are listed. How many of these would you classify as republics?

Mr. CRIMMINS. Well, Mr. Chairman, as you know, we have 23 embassies in Latin America, all of which are independent countries. Now, I'm not sure I know the thrust of your question, Mr. Chairman.

Mr. HAYS. The thrust of my question—I will simplify it. How many are representative governments and how many of them are dictatorships?

Mr. CRIMMINS. Well, I think that that's rather a black and white differentiation. I would say about half of them are, by even the most objective standard, open systems of government, which is a term I would prefer to use. That is, systems that consult the electorate regularly. The rest range from modified consultation of the electorate to none whatsoever. But offhand—and I can run them down, although I would be reluctant to make invidious comparisons in this kind of meeting, offhand, I would say about 50 percent of them are, by any democratic standard, open systems.

Mr. HAYS. I wouldn't argue that point. I just wanted it on the record that a good many of them aren't, and it seems to me that we throw the term "Republic" around fairly loosely.

Mr. CRIMMINS. This is a historical term, Mr. Chairman. In fact, as you know, the acronym for the Bureau of Inter-American Affairs is ARA, which is an old term going back 40 or 50 years, which means American Republics Affairs, and this is the carryover. I don't know what substitute term could be used to describe—call them independent American States perhaps.

Mr. HAYS. Maybe the OAS designation would be all right, but—

Mr. CRIMMINS. This would not cover all of them, like countries like Guiana, Mr. Chairman, which is not a member of the OAS.

Mr. HAYS. I understand that, but they just use American States.

Mr. CRIMMINS. Yes.

Mr. HAYS. Any other questions? Thank you, Mr. Crimmins.

Mr. CRIMMINS. All right, sir. Thank you.

Mr. HAYS. We have Samuel De Palma, Assistant Secretary of State for the Bureau of International Organization Affairs.

#### STATEMENT OF HON. SAMUEL DE PALMA, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DE- PARTMENT OF STATE

Samuel De Palma, a career Foreign Service Officer, was appointed by President Nixon as Assistant Secretary of State for International Organization Affairs on February 7, 1969. Mr. De Palma most recently served as Assistant Director of the U.S. Arms Control and Disarmament Agency, in charge of its International Relations Bureau.

Mr. De Palma began his government career in the War Department as an Economic Analyst and Intelligence Specialist (1941-44) and as Chief of the Areas Studies Sub-section of the War Department's Joint (Army-Navy) Target Group (1944-45).

After entering the State Department as a Specialist on International Organization Affairs in 1945, Mr. De Palma served for some 10 years in the Department in areas directly involved with international organization affairs. In 1956 he was appointed Deputy Director, Office of United Nations Political and Security Affairs.

After having been chosen to attend the National War College in 1957, he served in Paris from 1958-61 as First Secretary and Political Officer at the U.S. Mission to the North Atlantic Treaty Organization and European Regional Organizations. From 1961 to 1963 he served as Counselor of Embassy for Political Affairs at the United States Embassy in The Hague.

From 1963 until 1968 he served with the U.S. Arms Control and Disarmament Agency, first (1963-65) as Chief of the Political Affairs Division of the International Relations Bureau and then as Deputy Director of the Bureau; in 1966 he was appointed by President Johnson as Assistant Director of the Agency. In 1968 he served with the personal rank of Ambassador as the U.S. Representative to the Eighteen Nation Disarmament Committee, and also served with the personal rank of Ambassador as Chairman of the U.S. Delegation to the Conference of Non-Nuclear Weapon States.

Mr. De Palma was born in Rochester, New York, on June 22, 1918, and is now a resident of Maryland. He was graduated from the University of Rochester with a B.A. degree in 1940. He is married to the former Grace Eleanor Kilbourne and has two daughters, Cynthia Maud and Winifred Ruth. He is a member of the Council on Foreign Relations.

#### INTERNATIONAL ORGANIZATIONS AND CONFERENCES—FISCAL YEAR 1974 BUDGET SUMMARY

The budget proposed under the major function, "International Organizations and Conferences", totals \$211,279,000. This amount enables the United States to fund its assessed share of contributions to International Organizations in the

amount of \$199,787,000. It enables the United States to support the U.S. Mission to the U.N. and six other missions at the site of various international organizations, including costs of participation in four Inter-Parliamentary Groups, for which we are requesting an appropriation of \$5,300,000. The proposed FY-1974 budget also includes the International Conferences and Contingencies program which is responsible for managing United States participation in multilateral intergovernmental conferences and which totals \$4,650,000, and \$1,542,000 for international trade negotiations. The first major program is entitled: "Contributions to International Organizations".

It can be grouped into several general activities:

United Nations.....	\$63,957,000
Specialized agencies.....	79,462,000
Inter-American organizations.....	39,332,000
Regional organizations.....	15,492,000
Other international organizations.....	1,544,000
Total contributions.....	199,787,000

The total increase in the authorization request for assessed contributions is just under \$19 million or 10.4%. The increase is largely attributable to rising costs of goods and services and other mandatory costs necessary to maintain the prior year's level of operations. The overall estimate does not take into consideration the consequences of the recent dollar devaluation, particularly the additional costs to meet assessments levied in currencies other than U.S. dollars. There are no significant changes in U.S. percentages reflected in this year's request. However, the U.N. has endorsed the U.S. position that 25 per cent is a reasonable ceiling and it is expected that the U.S. will be reduced to that figure in the U.N. as of January 1, 1974. However, it may take longer to achieve this objective in some of the specialized agencies.

The second major appropriation is entitled: "Missions to International Organizations" and includes seven missions:

U.S. mission to the United Nations.....	\$2,136,000
U.S. mission to Geneva.....	1,743,000
U.S. mission, IAEA, UNIDO, Vienna.....	622,400
U.S. mission, ICAO, Montreal.....	153,900
U.S. mission, OAS, Washington.....	162,700
U.S. mission, UNESCO, Paris.....	230,200
U.S. mission, FAO, Rome.....	96,800
Total missions.....	5,145,000

In addition we include funds in the amount of \$155,000 for Congressional participation in four Inter-Parliamentary Groups.

The budgeted amount of \$5,300,000 breaks down into the following categories of expenses:

American salaries and miscellaneous salary costs.....	\$3,147,300
Local employees' salaries and related costs.....	237,800
Personnel benefits (retirement costs, health benefits, life insurance costs, etc.).....	255,100
American allowances (including education, housing and temporary lodging).....	316,500

The total salary and allowances costs are \$3,956,700 and account for 74% of our expenses. The remaining categories are:

Travel of persons and transportation of things.....	\$171,700
Rents, telephone, and utilities.....	498,300
Supplies, printing, and equipment (includes office, medical, security, automotive, and furnishings for offices, office machines, etc.).....	104,800
Facilities operations, official residence expenses, and representation funds.....	413,500

To this breakdown must be added the four United States Congressional Groups:

Inter-Parliamentary Union.....	\$45,000
NATO Parliamentary Assembly.....	50,000
Canada/U.S. Parliamentary Group.....	30,000
Mexico/U.S. Parliamentary Group.....	30,000

Total congressional groups.....	155,000
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The third major program is identified as "Conferences and Contingencies".

This program permits the Department of State at the direction of the President, to coordinate and supervise (a) the United States participation in multilateral intergovernmental conferences, (b) the United States contribution to provisional international organizations. In FY-1974 we are requesting \$3,349,300 for participation in some 498 conferences, an increase of \$823,000 over 1973. In addition, the international conferences appropriation request includes an amount of \$1,300,700 for contributions to six provisional international organizations. (c) The United States will enter into international trade negotiations in October of this year in Geneva under the auspices of the General Agreement on Tariffs and Trade (GATT) leading toward a fundamental reform of the world trade system. We are requesting \$1,542,000 for our participation in these negotiations. While the negotiations themselves are expected to last for about two years, the funds in this request will cover the expenses of the United States Delegation for FY-1974 only.

Mr. HAYS. Mr. De Palma, you have sent up a brief résumé of the Bureau of International Organization Affairs budget and you have grouped into several general categories, starting with the United Nations and ending up with sort of a blanket thing called Other International Organizations. How much is your budget up this year?

Mr. DE PALMA. Mr. Chairman, the total increase is about \$19 million. That is for Contributions to International Organizations. I should say that figure is overstated by \$1 million because of a calculation error that was made last year in the contributions to the FAO, which is being made up this time.

Mr. HAYS. Are you having any success in securing a reduction in the assessment for the United Nations that Congress more or less made it pretty plain that it expected you to do something along that line?

Mr. DE PALMA. Yes, Mr. Chairman, I think we are making what I would regard as good progress. In the United Nations we can expect that by calendar year 1974, which is our legislative deadline, we will have met the congressional requirement. The United Nations scale of assessments, which is to be adopted this year and which will be good for the next 3 years, will, I am confident, reduce our share to 25 percent. In some of the specialized agencies, I think it is going to take 1, 2, or 3 years longer because they revise their scale at different times. However, we are working on each one at the earliest opportunity we get and we expect there, too, that while it may be delayed 1 to 3 years, we will get it down to 25 percent. Total saving at present budget levels would amount to something like \$26 million.

Mr. HAYS. Could you supply for the record the United Nations members that are in arrears in their payments?

Mr. DE PALMA. Yes, sir, I can do that.

Mr. HAYS. Are they a significant number?

Mr. DE PALMA. Yes, sir. It depends on the kinds of arrearages we are discussing. In terms of normal payments to the regular United Nations budget, the record is really rather good in that. If you go back 2 or 3 years, it is paid up to about 98 percent. There are some persistent problems. There are a few countries that seem to straggle along and have difficulty keeping up and then there are the other few who deliberately withhold, as you know, sir, for peacekeeping items and have caused this cash deficit problem for the United Nations.

We have a tabulation which we will be happy to supply for the record.

## [The information follows:]

SUMMARY AS OF JAN. 1, 1973, COLLECTIONS AND ARREARAGES FOR 1972 AND PRIOR YEARS OF UNITED NATIONS ACCOUNTS FOR THE REGULAR BUDGET, WORKING CAPITAL FUND, EMERGENCY FORCE, AND THE CONGO<sup>1</sup>

Year	Gross assessments	Credits and reductions	Net assessments	Amount received	Balance due
Working capital fund.....	\$40,000,000		\$40,000,000	\$40,000,000	
United Nations regular budget:					
Calendar year 1968-72 <sup>2</sup> .....	815,631,832				
Less.....	<sup>a</sup> 16,638,855				
Total.....	798,992,977	68,560,400	730,432,577	682,358,379	\$48,074,198
United Nations emergency force:					
Calendar year 1957-67.....	185,679,969				
Less.....	<sup>a</sup> 5,274,569				
Total.....	180,405,400	9,164,985	171,240,415	126,998,277	44,242,138
United Nations Congo account:					
July 1960-June 1964.....	<sup>a</sup> 276,597,198				
Less.....	<sup>a</sup> 6,687,207				
Total.....	269,909,991	35,105,266	234,804,725	159,399,903	75,404,822
Total amount due, regular budget, UNEF and UNOC.....					167,721,158

<sup>1</sup> Information as of Dec. 31, 1972, supplied by the United Nations.<sup>2</sup> Contributions to the regular budget prior to 1969 (except for China) are fully paid.<sup>3</sup> Represents amount owed by the Republic of China and transferred to a special account.<sup>4</sup> Not including \$15,000,000 worth of initial airlift costs (July-December 1960).

## BALANCE DUE, 1972 AND PRIOR YEARS AS OF JAN. 1, 1973

Members (126) <sup>1</sup>	Regular budget	UNEF	UNOC	Total due
Afghanistan.....	17,808	29,499	37,603	84,910
Albania.....	79,611	45,299	43,602	168,512
Algeria.....		8,932		8,932
Argentina.....		63,227		63,227
Australia.....				
Austria.....				
Barbados.....				
Belgium.....		144,583		144,583
Bolivia.....	206,106	41,905	34,833	282,844
Botswana.....				
Brazil.....	1,434,359		248,838	1,683,197
Bulgaria.....	572,573	181,155	190,746	944,474
Burma.....				
Burundi.....	103,447	11,278	10,471	125,196
Byelorussian S.S.R.....	863,630	911,964	1,357,881	3,133,475
Cameroon.....	72,957	1,689		74,646
Canada.....				
Central African Republic.....	182,335	2,256	6,589	191,180
Chad.....	151,825	8,385	9,832	170,042
Chile.....	353,941	165,903	224,847	744,691
China.....	481,161			481,161
Colombia.....	642,013			642,013
Congo.....	87,437	9,249	9,938	106,624
Costa Rica.....	72,422			72,422
Cuba.....	470,667	249,811	260,259	980,737
Cyprus.....				
Czechoslovakia.....	1,016,827	1,814,845	2,759,408	5,591,080
Dahomey.....	120,452	5,530	6,994	132,976
Denmark.....				
Dominican Republic.....	206,106	22,898	54,503	283,507
Ecuador.....	206,107	10,129	4,120	220,356
El Salvador.....	133,518	7,411	3,349	144,278
Equatorial Guinea.....	133,518			133,518
Ethiopia.....				
Finland.....				
France.....	4,452,507	765,655	17,031,152	22,249,314
Gabon.....	52,138			52,138
Gambia.....	84,421			84,421
Ghana.....	123,880			123,880
Greece.....				

See footnotes at end of table.

## BALANCE DUE, 1972 AND PRIOR YEARS AS OF JAN 1, 1973—Continued

Members (125) <sup>1</sup>	Regular budget	UNEF	UNOC	Total due
Guatemala			38,209	38,209
Guinea	206,106	19,410	9,938	235,454
Guyana	70,624			70,624
Haiti	206,086	25,661	33,916	265,663
Honduras	97,547		5,677	103,224
Hungary	1,157,855	898,298	995,024	3,051,177
Iceland				
India	187,545			187,545
Indonesia				
Iran				
Iraq		100,407	22,362	122,769
Ireland				
Israel	115,845			115,845
Italy	237,235			237,235
Ivory Coast		1,689		1,689
Jamaica				
Japan	70,788	45,299	43,602	159,689
Jordan	70,788			70,788
Kenya	9,456	1,689		11,145
Khmer Republic				
Kuwait				
Laos	70,788			70,788
Lebanon		19,850	12,108	31,958
Lesotho				
Liberia		1,689		1,689
Libya				
Luxembourg				
Madagascar				
Malawi	4,845			4,845
Malaysia				
Maldives				
Mali	144,688	5,469	24,259	174,416
Malta				
Mauritania	100,755		17,215	117,970
Mauritius		679,491	786,193	1,465,684
Mexico		12,387	17,215	69,059
Mongolia	39,457			
Morocco				
Nepal				
Netherlands				
New Zealand				
Nicaragua	185,328		33,915	219,243
Niger	36,852	1,906		38,758
Nigeria				
Norway				
Pakistan	284,072			284,072
Panama	20,788	15,648	33,915	70,351
Panama	204,723	31,661	24,229	260,613
Paraguay	204,723	77,441	89,184	466,274
Peru	299,649	15,632		15,632
Philippines				
Poland	1,428,821	2,528,364	2,466,010	6,423,195
Portugal	398,756		201,673	600,429
Romania	504,402	682,212	641,015	1,827,629
Rwanda		11,278	10,471	21,749
Saudi Arabia		74,890	69,487	144,377
Senegal	110,431	9,814	20,418	140,663
Sierra Leone	100,409	2,469		102,878
Singapore				
Somalia	138	11,191	17,445	28,774
South Africa	461,768	80,862	1,503,337	2,045,967
Spain		1,089,981	985,159	2,075,140
Sri Lanka				
Sudan		89,332	5,860	95,192
Swaziland	70,788			70,788
Sweden				
Syria	189,774	46,654	20,379	256,807
Tanzania	9,780			9,780
Thailand		9,026		9,026
Togo	76,401	16,174	25,324	117,899
Trinidad and Tobago				
Tunisia				
Turkey		9,589	10,471	97,994
Uganda	77,934			
Ukrainian S.S.R.	2,385,599	3,476,580	5,185,697	11,047,876
U.S.S.R.	24,726,935	27,665,631	39,223,085	91,615,651
United Arab Republic		351,946	48,387	400,333
United Kingdom		283,300		283,300
United States		\$ 1,188,096		\$ 1,188,096

See footnotes at end of table.

## BALANCE DUE, 1972 AND PRIOR YEARS AS OF JAN 1, 1973—Continued

Members (526) <sup>1</sup>	Regular budget	UNEF	UNOC	Total due
Upper Volta	90,221	19,936	14,145	124,302
Uruguay	392,603	54,388	97,652	544,653
Venezuela	725,581	32,298		757,879
Yemen (Aden)	70,788			70,788
Yemen (S'ana)	108,483	45,299	43,602	197,384
Yugoslavia		7,598	333,269	340,867
Zaire	1,000			1,000
Zambia				
Total	48,074,198	44,242,138	75,404,822	167,721,158
Members in arrears	68	62	54	87

<sup>1</sup> Does not include the following admitted at the 25th and 26th Sessions of the General Assembly: Bahrain, Bhutan, Fiji, Oman, Qatar and United Arab Emirates.

<sup>2</sup> This amount is the difference between the original apportionment for 1967 and the amount paid by the United States toward its share of the revised estimates of 1967 costs.

Mr. HAYS. Is the assessment of—I use this term and I guess it's the proper one now—Peoples Republic of China in the United Nations still the same 4 percent it was last year?

Mr. DE PALMA. They came in at that level and it is 4 percent as of now, but the scale which is being worked on this summer and which will be approved at the Assembly this fall will, I'm sure, raise their percentage. I don't really know what the figure will be. There is an estimated figure being mentioned, and I would not want to be held to this because the Committee on Contributions has to work it out, of about 7 percent.

Mr. HAYS. What is Russia's figures?

Mr. DE PALMA. The Soviet Union—let me get the exact figure instead of relying on my memory. The Soviet Union is 14.18. The Ukrainian S.S.R. is 1.87, and the Byelorussia S.S.R. is 0.50. These, of course, should all be considered together.

Mr. HAYS. What is the total?

Mr. DE PALMA. 16.55.

Mr. HAYS. Don't you think the Chinese ought to be in about the same caliber as the Russians?

Mr. DE PALMA. Well, Mr. Chairman, the basis for assessment in the United Nations is relative capacity to pay, which is a figure based on calculations of national product with some adjustment for low per capita income. These are objective figures based on available statistics and they are obviously not based on population.

Mr. HAYS. Has the Peoples Republic paid off the arrearage of Taiwan or is the United Nations writing that off?

Mr. DE PALMA. They have not and there is no indication that they would consider doing so. So the United Nations, in effect, has written them off by putting them in a special account for bookkeeping purposes.

Mr. HAYS. How is that going to be made up? Are we going to get stuck for part of that?

Mr. DE PALMA. We certainly have no intention of making that up, sir.

Mr. HAYS. Several years ago we withheld our payments to the ILO. What is our status in that organization?

Mr. DE PALMA. We are still, of course, in arrears. Our arrearage at this point amounts to about \$8.6 million. We would lose our vote <sup>24</sup>

the end of December 1974 unless we pay the \$8.6 million plus some additional sum.

Mr. HAYS. That wouldn't really be any great catastrophe, would it, if we did lose our vote?

Mr. DE PALMA. Sir, I think if we are going to participate in the organization we ought to be able to vote.

Mr. HAYS. Are we participating?

Mr. DE PALMA. We are participating fully. We are working very hard in it. We are handicapped, Mr. Chairman, by the arrearage because it has crippled some parts of the agency's program and to that extent made it difficult when we have tried to get support for the things we are interested in. We were interested in a number of reforms, as you know. It becomes a bit difficult to get the support from certain governments because they feel they are being put in a position of working with us while we are illegally withholding, and it causes a problem for them. So I would say that paying up in full would strengthen our hand and we would intend to go on pressing the organization to live up to its tripartite character.

Mr. HAYS. I have a lot of other questions but I want to share the time here. I want to ask one more and then I will yield to someone else.

It is difficult for me to get the whole picture on this thing because in this bill there is \$211.2 million for international organizations and in the foreign aid bill there is another \$134.8 million. How many other appropriation bills have money for international organizations?

Mr. DE PALMA. Sir, there are quite a few. There is a sheet here that contains the full list that is included in the authorizing request plus others that are not.

Mr. HAYS. Wouldn't it make sense to put all of these in one bill so that Congress would get a handle on it and have some comprehension of what we are doing?

Mr. DE PALMA. Mr. Chairman, we have been considering that. As you know, the Senate Foreign Relations Committee has made the same suggestion and we have been studying the problem.

Mr. HAYS. Would it help you in your studies if we just put a flat amendment in here saying no money authorized may be expended until such time as you come in with a complete list of them?

Mr. DE PALMA. Mr. Chairman, I think that would help us get to the point but I think the problem deserves some very careful consideration. As I say, we have no objection to that from our point of view, but we are running into some obstacles. There are problems in that these affect agencies all over the Government, not only the State Department, and they also affect the committee procedure in the Congress. So it is a very difficult thing to do. It is easy enough to list them as we have for purposes of comparison, but it is not that simple a job to actually present them as a consolidated request. I am not saying it can't be done.

Mr. HAYS. If you have them listed—and I haven't found that list—but what is the total cost—

Mr. DE PALMA. It is beginning on page 39. This is not totally inclusive. It is exclusive of the international lending agencies and the Public Law 480 contributions, but it includes all other contributions.

Mr. HAYS. So the amount is \$408 million; is that right?

Mr. DE PALMA. That's correct, sir.

Mr. HAYS. Well, on page 41 at the top of the page, that is a bad place to put that one—I see the International Lead and Zinc Study Group. I'll bet you that's an important organization.

Mr. DE PALMA. Mr. Chairman, it is an intergovernmental organization whose job it is to study the market for, the production of, and the uses of lead and zinc. It's been found useful because these are important commodities which from time to time have caused very great difficulties for the governments.

Mr. HAYS. How much money do they spend annually and how much is our contribution?

Mr. DE PALMA. Our contribution is \$6,000, which is about 8 percent of the total.

Mr. HAYS. They must not have very many employees.

Mr. DE PALMA. No. It's a small organization. It is really a statistic-gathering mechanism.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. I was wondering about the International Parliamentary Union. Are you familiar with that fine organization?

Mr. DE PALMA. Yes, sir.

Mr. THOMSON. Well, they have asked for an increase from \$48,000 to \$55,000. Could you tell me what that is for? Is that for personnel costs or transportation?

Mr. DE PALMA. I think it must be largely secretariat costs. I can't imagine it would be for much of anything else.

**STATEMENT OF SIDNEY S. CUMMINS, FUNDS MANAGEMENT AND CONGRESSIONAL PRESENTATIONS, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE**

Mr. CUMMINS. Actually, as you know, this is a congressional organization and this amount is for the U.S. share of the cost of the central secretariat of the International Parliamentary Union. I imagine a significant portion of this increase obviously is due to devaluation of the U.S. dollar because the assessment is made in Swiss francs and if the value of the Swiss franc has increased in relation to the U.S. dollar it is going to cost more U.S. dollars to buy the same amount of Swiss francs as we added before. Actually, as you also may know, sir, the congressional limitation on the amount that can be contributed for this purpose is \$57,000, so they are getting pretty close to the congressional ceiling on the U.S. contribution.

Mr. KAZEN. I see an item here for the International Center for the Study of the Preservation and Restoration of Cultural Property. I just came in from another subcommittee meeting for the Department of Interior and they have an item there. Is this the same thing as the Rome Center?

Mr. DE PALMA. This is the Rome Center.

Mr. KAZEN. How come you are asking for it and they are asking for it?

Mr. DE PALMA. We are not asking for funds at this moment, sir, because the authorization had lapsed and the request in the other committee is obviously to continue the authorization. It is listed here

because we have been paying to it in the past but it depends on whether the authorization is renewed whether there would be any basis for making a contribution in the fiscal year 1974.

Mr. KAZEN. Well, would you administer it in the State Department or in your organization?

Mr. DE PALMA. Sir, we handle the payment to the organization for purposes of convenience. You will find many organizations grouped here under the contributions international organizations appropriation because it was felt that since we make payments to so many international organizations we could conveniently handle this fiscal matter. We are not responsible for the substance of the work of that organization.

Mr. KAZEN. In other words, what you are saying is that when the Congress authorizes that amount of money to the Department of Interior they, in turn, turn it over to you and you handle it? You make the payments?

Mr. DE PALMA. We do provide for U.S. delegations to meetings of all of these organizations such administrative and budgetary guidance as we can because we feel that we have considerable experience since we handle so many organizations. We help in trying to keep the budgets down and we try to provide that kind of guidance.

Mr. KAZEN. What about the Inter-American Indian Institute? What is that?

Mr. DE PALMA. I am not an expert on that. We have persons here from the Bureau of American Republic Affairs who may be able to give you a description of it.

I can read what is in the book, but I would rather have someone who has expert knowledge of it explain it.

#### **STATEMENT OF DAVID E. ALTER, JR., BUDGET AND PROGRAM ADVISER, USOAS, BUREAU OF INTER-AMERICAN AFFAIRS, DEPARTMENT OF STATE**

Mr. ALTER. It is a small organization, headquartered in Mexico City. Most of the members, most of the countries in the hemisphere are members of it. It is primarily an organization designed to study and publish material that would be helpful to countries with an Indian population in being more progressive in their approaches to Indian problems.

Mr. KAZEN. Does this Inter-American Indian Institute help our Indians in the United States?

Mr. ALTER. The Director of the Institute did write to our member on the committee and offered the assistance of the Institute if it would be useful.

In consulting with the Department of Interior, we replied that we were thankful for the offer, but at the moment we felt that we didn't want to disrupt the negotiations going on.

Mr. KAZEN. Then what benefits inure to the U.S. Indians from this agency?

Mr. ALTER. The organization holds periodic meetings. There was a meeting last year in Brazil, and in selecting a U.S. delegation for it, members of our Indian community were on the delegation and participated in it.

It is an exchange of information and viewpoints on the general problems of Indians and their assimilation and nonassimilation into the society in which they live.

Mr. KAZEN. I am still wondering what benefits inure to us from this.

Mr. ALTER. The basic benefit is an exchange of ideas.

Mr. KAZEN. No further questions.

Mr. HAYS. Mr. Buchanan?

Mr. BUCHANAN. You list refugee and migration assistance. This does not include the assistance we voted for immigrating Soviet Jews into Israel, does it?

Mr. DE PALMA. I regret that I can't speak to that. The refugees and migration assistance is not part of my responsibility. As I understand it this list includes all contributions for international organizations, including some that are not part of my Bureau.

Mr. HAYS. Who is responsible for it?

Mr. DE PALMA. The Office of Refugee and Migration Affairs in the State Department. Mr. Kellogg, Francis Kellogg would be responsible for this.

Mr. BUCHANAN. You mean international organizations dealing with refugee assistance are not in your bailiwick?

Mr. DE PALMA. Sir, again we deal with them, we work together, but the substantive responsibility for these activities happens to be in that Office.

It used to be part of our Bureau, but the problem got to be such a rather large one, with emergency assistance from time to time involving emergency actions, that it was felt best to separate it out into a special office.

Mr. BUCHANAN. Suppose the State Department or the President should determine that we ought to be of some assistance in major migrations that will be involved in getting the population shifted around in West Pakistan, Bangladesh, and India. As you know, major shifts in population is possibly indicated in those areas with the changes that have taken place. Should we decide that we ought to assist in that migration and operation, that would not come through your bailiwick?

Mr. DE PALMA. It would depend, sir. It could be done bilaterally, in which case it certainly would not.

If it were done multilaterally, if the U.N. were involved, as it was, for example, in providing relief to Bangladesh, it would certainly come through our bailiwick.

We would work together closely with AID and the U.N. agency involved, with Mr. Kellogg, if the refugee organization was involved. It depends on how the matter is handled.

Mr. BUCHANAN. The reason I was raising it, No. 1, I would love to know from some source at some point, Mr. Chairman, how that refugee program is coming so far as the Soviet Jewish immigration into Israel is concerned. How many millions of dollars was it, \$80 million we authorized in foreign assistance.

Mr. HAYS. Who is handling that, Mr. De Palma?

Mr. BUCHANAN. That is under foreign assistance, so it may not be a part of this.

**STATEMENT OF RICHARD W. MURRAY, DEPUTY ASSISTANT SECRETARY FOR BUDGET AND FINANCE, DEPARTMENT OF STATE**

Mr. MURRAY. This is being handled through the Refugee Office of the State Department. The appropriation was made by the Congress, within the authorization of \$85 million, for \$50 million. The President's budget this year forecast the obligation of the full \$50 million, and the expenditure this year of \$33.5 million, with the balance to be expended in the following fiscal year.

It is my understanding that the bulk of that \$33.5 million has actually been contracted or expended.

Mr. BUCHANAN. I assume that will come under the Foreign Assistance Act or request, assuming we get one.

Mr. MURRAY. I don't know that there is any request for fiscal year 1974 for the continuation of that program.

Mr. HAYS. There wasn't any request in the first place. We put it in.

Mr. BUCHANAN. Thank you, sir.

On the second question of the South Asian thing, I guess that could come from the Foreign Assistance Act, too.

It would appear to me there is a likelihood of a major problem there in which some U.S. assistance might be indicated. And I gather there is no budget provision specifically for such a purpose?

Mr. DE PALMA. I am not aware of one now, but I can't really speak with authority on that. I do know that there will be some discussion among the countries involved, and I do know that there is a possibility that they may want some assistance, possibly some of it channeled through the U.N.

But I am not aware of any specific budget proposal.

Mr. BUCHANAN. Nothing in what you are requesting covers that?

Mr. DE PALMA. No, sir.

Mr. BUCHANAN. Thank you.

Mr. KAZEN. May I ask one question, Mr. Chairman?

Mr. HAYS. Yes.

Mr. KAZEN. Aid to the Palestinian refugees comes directly from the United Nations, not from the United States?

Mr. DE PALMA. We provide our contribution through the United Nations to the U.N. relief effort.

Mr. KAZEN. But we have no separate program that the United States on its own participates in?

Mr. DE PALMA. I am not aware of one. I am not aware whether there might be private support, I don't know about that. But I am not aware of any Government program for them. It is not channeled through us.

I am reminded that part of our contribution is in the form of Public Law 480 commodities. They are made available to the organization. I am not aware of any other contributions.

I would be glad to look into the record on that.

Mr. KAZEN. I just wanted to know if you knew of any within the State Department.

Mr. BUCHANAN. If the gentleman would yield, I don't see that listed. Maybe I am not looking right.

Mr. DE PALMA. Page 42. I think. Yes, it is the item one from the last in the group under part II at the top of the page?

Mr. BUCHANAN. I see it now. Thank you.

Mr. DE PALMA. That lists the cash component. As I say in addition there is a Public Law 480 component of \$8.9 million.

Mr. BUCHANAN. Why is that not under refugee and migration assistance?

Mr. DE PALMA. I don't know that I can give you a good reason for that, sir. It happens to be an established U.N. program and it is handled through International Organizations and therefore listed along with those which are handled by my Bureau.

Mr. BUCHANAN. Thank you.

Mr. HAYS. We have three or four little items in here that intrigue me.

One is maintenance of certain lights in the Red Sea. Would you tell us briefly what that is all about?

Mr. DE PALMA. To the extent of my knowledge, sir, these are certain navigational aids which a group of governments have agreed to maintain in order to assure safe navigation through the area. There are lighthouses, signals, beacons, things of that kind.

Mr. HAYS. What is the Nice Union? That sounds like a good one to belong to. How do you get in it?

Mr. DE PALMA. This is an organization for international classification for the registration of trademarks.

These organizations have become important to us, sir. As you know, the Congress in the past year authorized our adherence to about three of them through advise and consent to treaty ratification which are similar for patents, industrial designs, and so on. They are of great commercial interest to us, because they set out procedures and maintain classifications and registers of ways of registering trademarks and industrial designs. We need to be a participant in order to protect our commercial interests.

Mr. HAYS. What is the Locarno Union? They spend about \$12,000 a year.

Mr. DE PALMA. These are small, usually statistical gathering organizations. The Locarno Union, as I say, deals with the international classification of industrial design.

Mr. HAYS. We contribute 23.81 percent, which is roughly one-fourth and 4 times 3 is \$12,000. How could you run much of an organization on \$12,000? You couldn't even hire one employee for that, could you?

Mr. DE PALMA. They are obviously very small offices which maintain central statistical data.

Mr. HAYS. Does industry contribute to them?

Mr. DE PALMA. I am not aware that there is a private contribution from industry to these. I could be wrong. I will check that for the record.

Mr. HAYS. I don't want to nit-pick, but \$12,000, I don't know what you could run for that. I just wondered if you could get a staff for \$12,000. You couldn't in this country.

Mr. DE PALMA. Mr. Chairman, I do recall one part of the answer to that question.

Several of these organizations are really working in one headquarters and the contributions are made by virtue of our adherence to particular conventions, and so that actually they have a pooled resource, working together.

I think that you would be right, that on their own it is hard to see how they could do very much. But I think they have a pool that they can operate from.

Mr. HAYS. What is this? We contribute about a half million dollars, 80 percent of the cost to the Inter-American Tropical Tuna Commission.

Mr. DE PALMA. Again, Mr. Chairman, I am sorry to say that is not my responsibility, and I really can't speak to that. This is the Office of the Fisheries Adviser in the State Department.

Mr. HAYS. Is he here?

Mr. DE PALMA. Ambassador McKernan. I don't believe he is here.

Mr. HAYS. Do you just act as the paymaster on this?

Mr. DE PALMA. We don't handle that one at all, sir.

Mr. HAYS. It is listed here.

Mr. DE PALMA. Sir, this contains a listing of all of the organizations, to be as responsive as possible to the congressional interest to see them all in one place. But it doesn't mean I am responsible for all of them.

Mr. HAYS. But it is paid out of some other department of the Government?

Mr. DE PALMA. It is a State Department appropriation.

Mr. HAYS. Then you are the paymaster, but that is about all.

Mr. DE PALMA. We happen to not even be a paymaster for this one.

Mr. HAYS. Let's back up and start over.

It is in the State Department authorization?

Mr. DE PALMA. Yes, sir.

Mr. HAYS. If we knocked it out, then they wouldn't get their money?

Mr. DE PALMA. That is correct.

Mr. HAYS. How do they get their money if they don't get it from you?

Mr. DE PALMA. They get it from—

Mr. MURRAY. Mr. Chairman, the funds for this organization are appropriated under the appropriation for the International Fisheries Commissions. That goes to the office of the special assistant to the Secretary for Fisheries and Wildlife.

Mr. HAYS. Special Assistant to the Secretary of State?

Mr. MURRAY. Yes, sir. Ambassador McKernan.

Mr. HAYS. When I used the word "paymaster" I mean you transmit the money to them, don't you?

Mr. MURRAY. Yes, sir.

Mr. HAYS. All right. They do get their money and a check from the State Department?

Mr. MURRAY. Yes, sir.

Mr. HAYS. You don't exercise any jurisdiction over them?

Mr. MURRAY. The Office of Fisheries and Wildlife does. If we get down to what their authorities are, I am not sure I can answer it. But the budget for those organizations are reviewed by both that office and the central budget office of the Department. They are not assessed contributions as such that we can be outvoted on.

The primary purpose of that organization is fisheries research to determine the fish population and the approved catch in terms of tonnage. The contribution of the United States or the contributions of the various members are based on the catch in the tuna fishery. Our contribution is large because we have the largest tuna fisheries industry.

Mr. HAYS. I have just one final question. There are three pages of these organizations that you, to use my terminology again, are the paymaster for, at least you transfer the funds to them in one way or other.

Does anybody in the State Department ever take a look at them to see whether, we ought to continue supporting them or is it just routine, once they are set up, we continue to pay for them?

Mr. DE PALMA. We do look at them. In the course of the last year, for example, we specifically looked at some 8 or 10 of them and raised exactly those questions with the agency of Government or the office concerned. We raised it in terms of why should we continue to participate.

As of now there is solid justification for each and every one of these. We did find one in which I think we can make a case for stopping our participation, and that is the Pan American Railway Congress Association.

We are in the process of trying to followthrough on that. It is a very small one, but I think our interest has largely expired.

Mr. BUCHANAN. In what way would you followthrough? If you came to the conclusion that X outfit should not be funded, what would you do?

Mr. DE PALMA. We have to work it out with the agency concerned and once we have persuaded them, we would simply make an arrangement to notify the organization. Some of them require leadtime as provided in their constitutions, so you can't just stop at any given time, you have to abide by the provisions of their constitutions or charters.

But as soon as we have met those, we would simply not request an appropriation for them.

This is what I hope we will be able to do on this particular one.

Mr. BUCHANAN. In other words, you would communicate with the executive agency involved somewhere outside of the State Department?

Mr. DE PALMA. That is correct.

Mr. BUCHANAN. And try to persuade them not to request further appropriations for that organization?

Mr. DE PALMA. That is correct.

Mr. HAYS. Any further questions?

[No response.]

Thank you, Mr. De Palma.

[Whereupon, at 12 noon, the subcommittee was adjourned, to reconvene at 10 a.m. Monday, May 7, 1973.]



## DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1974

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MONDAY, MAY 7, 1973

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS,  
*Washington, D.C.*

The subcommittee met at 10:07 a.m., in room 2255, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. This morning we will continue the hearings on the Department of State authorization bill for fiscal 1974.

We will first hear this morning from the Honorable Walter Stoessel, Assistant Secretary for European Affairs.

Mr. Stoessel.

### STATEMENT OF HON. WALTER J. STOESEL, JR., ASSISTANT SECRETARY, BUREAU OF EUROPEAN AFFAIRS, DEPARTMENT OF STATE

Walter J. Stoessel, Jr., Career Minister since July 1968, was nominated as Assistant Secretary of State for European Affairs on June 28, 1972 and confirmed by the Senate on July 21, 1972. At the time of his appointment he was serving as Ambassador to Poland.

Walter Stoessel was appointed as Ambassador to Poland in August 1968. Prior to that time he had served three years as senior Deputy Assistant Secretary in the Bureau of European Affairs.

Ambassador Stoessel has had considerable experience in responsible positions in the EUR area. He held the post of Deputy Chief of Mission in Moscow with personal rank of Minister for 2 years (1963-65); 2 years as POLAD to SHAPE (1961-63); 3 years as Chief of the Communist Affairs and East-West Relations Section in Paris (1956-59); 3½ years as the Officer in Charge of Soviet Affairs in the Department (1952-56); 2 years as a Political Officer at Bad Nauheim, Germany (1950-52); 2 years as Consular/Political Officer in Moscow (1947-49); and 1½ years as assistant desk officer in EUR/EE (1946-47).

In addition to his EUR post assignments, Ambassador Stoessel has spent two years in Russian studies; one year in language and area courses at Columbia University (1949-50) and one year in the Navy's Russian Language course at the University of Colorado. Ambassador Stoessel has, therefore, been associated with the European area for 25 years out of his 30-year career with the Foreign Service. He speaks Russian, French and Polish.

In addition to his EUR experience, Ambassador Stoessel has served as Director of the Executive Secretariat (1960-61). He participated in Harvard University's Advanced Seminar on International Affairs (1959-60); was detailed to the White House as assistant to the Presidential Adviser on Foreign Affairs (2-6/56); served as consular officer in Puerto de la Cruz (1943); and as political officer in Caracas (1943-44).

Ambassador Stoessel was born January 24, 1920 in Manhattan, Kansas. He received an A.B. degree *cum laude* from Stanford University in 1941. He is married to the former Mary Ann Ferrandou. They have three daughters, Katherine 24, Suzanne 22, and Christine 16.

#### BUDGET OF EUROPEAN AFFAIRS—FISCAL YEAR 1974 BUDGET SUMMARY

The budget prepared by the Bureau of European Affairs under the major function, "Administration of Foreign Affairs," in the Appropriations, Salaries and Expenses, totals \$53,558,100. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 191 domestic and 1,079 overseas American positions included and 1,707 local positions, all direct.

We have 78 posts in 26 countries in the European area. There are 26 embassies, 34 consulates general, 10 consulates, 6 consular agencies, and 2 missions.

There is an increase of \$4,615,600 over fiscal year 1973, which is a net of \$4,643,300 increases and \$27,700 decreases.

#### Increases include:

Wage increases—local	\$1,882,000
Price increases—overseas and domestic	1,094,500
Within grade increases:	
American and locals	427,400
Increased consular workload—overseas	166,100
Relocation expenses—overseas	108,000
Other mandatory increases—overseas	98,000
Improved support—overseas	857,600
Additional costs for new positions authorized in FY-1973	9,700

Total increases	\$4,643,300
Decreases include: Relocation of consular section in Vienna, Austria	\$27,700

Net increases \$4,615,600

The budgeted amount of \$53,558,100 breaks down into the following categories of expenses:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous costs (50.7%)	\$27,171,800
Local employees salaries and related costs, including retirement and severance payments (28%)	15,018,200
American allowances, including education, housing and temporary lodging (8.0%)	4,258,100

As you can see, Mr. Chairman, 86.7% of our expenses, amounting to \$46,448,100, are salary costs and allowances. The remaining categories are:

Rents, telephone, telegrams and utilities (4.9%)	\$2,611,800
Travel and transportation of persons, including consultation, post-to-post details, rest and recuperation travel, medical, educational and within-area travel (1.0%)	529,800
Travel and transportation of things, including pouches, ocean freight of government property, air freight and similar costs (0.8%)	424,100
Building operations, maintenance of equipment and automobiles, official residence expenses security guards, gratuities and insurance (4.8%)	2,582,500
Supplies and equipment, including office, medical, security and automotive supplies; Marine Guard clothing; office and household furnishings; security, telephone and medical equipment; books and maps (1.8%)	961,800

The latter categories amount to \$7,110,000, and compose 13.3% of our total budget.

Mr. STOESSEL. Good morning, Mr. Chairman.

I have a brief summary statement which I will be pleased to read if that is agreeable.

Mr. HAYS. All right.

NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLO

EUROPE	TOTAL ALL AGENCIES		STATE						AID				USIA		PEACE CORPS				AGRICULTURE				COMMERCE		
			TOTAL		DIRECT		REIMB.		DIRECT HIRE INCL. PASA		CONTRACT		STAFF		VOL.		CONTRACT		STAFF		CONTRACT		STAFF		
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	
Austria (Emb)	69	200	49	123	28	56	21	67	-	-	-	-	15	72	-	-	-	-	-	1	2	-	-	-	-
IO/LAEA & UNIDO	12	1	12	1	11	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Belgium (Emb & CP)	106	200	70	121	61	56	9	65	-	-	-	-	5	21	-	-	-	-	-	3	2	1	11	-	-
USEC (Brussels)	37	11	20	6	20	4	-	2	-	-	-	-	3	4	-	-	-	-	-	6	1	-	-	-	-
USNATO (Brussels)	38	-	33	-	33	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Bermuda	101	52	4	7	4	6	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Bulgaria	16	23	14	20	10	12	4	8	-	-	-	-	2	3	-	-	-	-	-	-	-	-	-	-	-
Canada	221	219	86	139	81	117	5	22	-	-	-	-	4	9	-	-	-	-	-	2	3	-	9	1	2
Czechoslovakia	21	44	18	40	14	20	4	20	-	-	-	-	3	4	-	-	-	-	-	-	-	-	-	-	-
Denmark	36	69	27	41	18	28	9	13	-	-	-	-	4	19	-	-	-	-	-	2	3	-	-	-	-
Finland	33	50	26	28	16	18	10	10	-	-	-	-	7	22	-	-	-	-	-	-	-	-	-	-	-
France (Emb & CP)	263	693	154	364	127	205	27	159	-	-	-	-	20	80	1	-	-	-	-	8	9	-	-	6	24
USOECD (Paris)	39	11	29	11	-	-	29	11	6	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
IO/UNESCO (Paris)	9	1	9	1	6	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Germany	419	930	277	574	216	221	61	353	-	-	-	-	49	304	-	-	-	-	-	5	8	-	11	3	10
Hungary	17	38	14	34	10	24	4	10	-	-	-	-	3	4	-	-	-	-	-	-	-	-	-	-	-
Iceland	11	18	9	11	8	9	1	2	-	-	-	-	2	7	-	-	-	-	-	-	-	-	-	-	-
Ireland	14	34	13	32	12	23	1	9	-	-	-	-	-	-	-	-	-	-	-	1	2	-	-	-	-
Italy	220	640	154	414	115	282	39	132	1	-	-	-	16	101	-	-	-	-	-	11	15	1	5	2	6
Luxembourg	11	19	9	9	6	8	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Malta	16	10	12	10	10	9	2	1	-	-	-	-	1	-	-	-	3	-	-	-	-	-	-	-	-
Netherlands	55	136	39	69	33	53	6	16	-	-	-	-	4	12	-	-	-	-	-	8	8	1	4	1	4
Norway	35	63	31	42	20	31	11	11	-	-	-	-	4	16	-	-	-	-	-	-	-	-	-	-	-
Poland	43	159	32	88	27	57	5	31	-	-	-	-	9	19	-	-	-	-	-	2	2	-	-	-	-
Portugal	37	80	33	65	25	54	8	11	-	-	-	-	3	13	-	-	-	-	-	1	2	-	-	-	-
Romania	25	36	15	23	10	13	5	10	-	-	-	-	10	13	-	-	-	-	-	-	-	-	-	-	-
Spain (incl. Canary Is.)	184	660	55	107	44	66	11	41	-	-	-	-	10	43	-	-	-	-	-	2	4	-	5	3	-
Sweden	41	105	33	50	23	36	10	14	-	-	-	-	5	20	-	-	-	-	-	1	3	-	-	1	6
Switzerland (Emb & CP)	46	54	36	43	20	33	16	10	-	-	-	-	1	3	-	-	-	-	-	1	2	-	4	1	-
US Mission - Geneva	61	41	57	38	41	32	16	6	-	-	-	-	2	3	-	-	-	-	-	2	-	-	-	-	-
U.K. (incl. Ascension Is.)	256	344	115	226	98	170	17	56	1	-	-	-	16	33	-	-	-	-	-	6	5	-	9	8	9
U.S.S.R.	77	-	63	-	32	-	31	-	-	-	-	-	10	-	-	-	-	-	-	4	-	-	-	-	-
Yugoslavia	66	218	44	102	29	57	15	45	-	-	-	-	20	93	-	-	-	-	-	2	3	-	-	-	-
TOTALS	2635	5159	1592	2839	1208	1702	384	1137	8	-	-	-	233	918	1	-	3	-	-	70	74	3	58	26	61

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

OMATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

RCE		HEW				JUSTICE		NASA				TRANSPORTATION			TREASURY		ABMC/AEC/EPA/EX-IM				GSA/HUD/INTERIOR				NSF/SMITH/TVA/VA			
CONTRACT		STAFF		CONTRACT				STAFF		CONTRACT		MIL.	CIVILIAN				STAFF		CONTRACT		STAFF		CONTRACT		STAFF		CONTRACT	
US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	CG	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
-	-	-	-	-	-	3	3	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2	2	-	-	-	-	-	20	4	-	-	3	37	-	2	2	-	-	-	-	-	-	-
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-	5	-	-	-	27	26	1	-	-	-	-	-	-	-	20	2	21	176	6	4	1	1	-	-	-	-	-	-
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-	6	1	-	-	3	20	4	-	-	-	-	1	44	8	13	2	-	-	3	-	3	-	-	-	-	-	-	-
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-	8	-	11	-	28	19	10	-	-	-	-	-	-	-	12	4	4	38	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	10	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	17	-	-	-	-	-	-	1	-	2	-	-	1	19	-	-	-	-	-	-	-	-	-	1
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NUMBER OF CIVILIAN AIRCRAFT WHICH COVERED WATER SURVEILLANCE IN THE

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Mr. STOESEL. The Bureau of European Affairs is charged by the Secretary of State with promoting the interests of the United States in the conduct of relations with 25 European countries, with Canada, and with 3 major international organizations—the North Atlantic Treaty Organization (NATO) the Organization for Economic Cooperation and Development (OECD) and the European Community (EC).

Sound U.S. relations with Europe remain a key aspect of American foreign policy as we search for world peace and prosperity. This is graphically demonstrated by the fact that our area of responsibility includes the NATO alliance and its defense structure—which constitutes an essential basis for détente; the enlarged European Community—which, with a GNP of \$760 billion is the world's second largest economic complex; the superpower base of the Soviet Union, together with its Eastern European allies; and a substantial number of ancient and independent states—neutral or nonaligned—with whom we share matters of mutual interest.

As President Nixon said recently, the period ahead is one in which we will increasingly turn our attention to improving and intensifying our European ties so that they better reflect the complex world of the 1970's.

In order to carry out these responsibilities the Bureau of European Affairs proposes a budget of \$53,558,100 for fiscal year 1974.

This amount is a net increase of \$4,615,000 over fiscal year 1973. The principal reason why the Bureau requires these additional funds is the continuation of severe inflation and substantial wage and price increases in virtually every European country.

Of the additional funds being requested, a total of \$3,591,900, or 78 percent, is due to wage and price increases and other mandatory requirements.

In addition, we are requesting a total of \$1,023,700, or 22 percent, in improved support items.

At the present time the Bureau is authorized 191 domestic American positions, 1,079 overseas American positions, and 1,707 overseas local positions.

Included in this budget are 7 new American overseas positions: 2 American security officers for Eastern Europe and 5 American consular officers and assistants; plus 12 additional overseas local consular clerks for Western Europe. These new consular positions are required because of the steadily increasing consular workload throughout Europe.

Detailed justifications for these items are contained in the budget submission which is before this committee.

Thank you, Mr. Chairman.

Mr. HAYS. I noticed in the paper Ambassador Bruce refused to include in his mission personnel from the USIA, Commerce, and other agencies. That was a unique and refreshing approach. I think one other Ambassador tried it one time and didn't succeed.

Are there any Ambassadors in Europe taking this position?

Mr. STOESEL. Not that I am aware of, sir.

Mr. HAYS. Would you support them if they did?

Mr. STOESEL. I think it would depend on the circumstances at the post. I think most of our posts are so large and have so many varying

responsibilities that it probably would be necessary to have a certain number of representatives from other agencies.

Mr. HAYS. These numbers that you gave us, 191 domestic and 1,079 overseas American positions, does that include anybody from USIA, Commerce, or any of the Agriculture, and goodness knows who else?

Mr. STOESEL. No, sir. No, those are strictly State Department.

Mr. HAYS. Do you have any figures on those? How many of those there are in Europe?

Mr. STOESEL. Of the other agencies? Sir, we can certainly supply that.

(See chart facing p. 92.)

Mr. HAYS. Well, don't forget Social Security. I understand they have an office somewhere in Europe that mails out checks in the international mail.

Mr. STOESEL. We will provide a full list.

[The information requested follows:]

#### SOCIAL SECURITY ADMINISTRATION (STAFF 1 U.S.)

The overseas position is assigned to the federal benefits program. (This work is now performed primarily by the Foreign Service in cooperation with the staffs of the Department of Treasury and the Veterans Administration and eventually will be performed wholly by the Foreign Service.)

Mr. HAYS. We have sold a lot of grain to the Soviet Union. A lot of U.S. businessmen are showing an interest in selling to the Soviet Union. Have these approaches had any noticeable effect on the Soviet policy toward the United States?

Mr. STOESEL. I think they have, sir. In a number of areas. We have noticed in the propaganda treatment about the United States that there has been an increased moderation in the Soviet approach. Of course, we have noticed moderation in the negotiations in which we are engaged with the Soviet Union in a number of areas, for example in SALT, and in the negotiations and preparations for a Conference on Security and Cooperation in Europe.

In the initial preparatory talks for the Mutual Balanced Force Reductions we have found the Soviets prepared to discuss these matters in a reasonable way. I think that these are among some of the examples which could be interpreted as willingness on the part of the Soviet Union to normalize her relations with the United States, just as we seek to normalize our relations with the Soviet Union.

Mr. HAYS. These have the tendency to help the Soviets out of their domestic difficulties. Do you see any disadvantages to us helping them in that way?

Mr. STOESEL. I think if they have a demonstrated need in this area, and one which we can fill to the benefit of our economy and our businessmen, that this is an advantageous thing.

Mr. HAYS. Do we have any military assistance groups in Europe, Mr. Stoessel?

Mr. STOESEL. Yes, we have a few.

Mr. HAYS. We don't have any military aid to Europe and have not had for a long time. Why do we have these MAAG groups as a place for excess colonels and generals?

Mr. STOESEL. I think the ones remaining in Europe are engaged primarily in connection with sales of military equipment to the countries involved or to the general area in which they are assigned.

Mr. HAYS. In other words, what you are saying is that the MAAG groups we have left there are weapon salesmen mainly? Is that correct?

Mr. STOESSEL. That is their essential function, yes.

Mr. HAYS. Mr. Kazen, do you have some questions?

Mr. KAZEN. No, Mr. Chairman, not at this point.

There is this sheet, "U.S. Personnel Overseas in the Department of State Request for Authorization" that might answer your question about all the personnel in all the agencies.

Am I correct in that, Mr. Ambassador?

Mr. STOESSEL. Yes, I think it is all spelled out there. This does not include the figures for Defense Department representatives.

Mr. KAZEN. Yes.

Mr. HAYS. The Treasury Department has 114 employees in Europe. Would you have any idea what they do?

Mr. STOESSEL. Mr. Chairman, I do not have a detailed knowledge of their functions. I would be pleased to provide that for you.

Mr. HAYS. I think we would like to have it in the record. That seems like an extraordinarily large number of people. That is more than the Agriculture Department has, or the Commerce Department.

Mr. KAZEN. Probably includes their division.

Mr. HAYS. Probably. It might. I would like to know if it does.

[The information requested follows:]

#### TREASURY

(a) *Customs Bureau* (Staff 113 US, 13 FN) Investigative personnel conduct and report on commercial investigations involving fraud, value, dumping and countervailing duty inquiries other personnel perform narcotics liaison work and customs pre-clearance operations.

(b) *Bureau of Accounts* (Staff 2 US, 21 FN) Disbursing Office in Philippines services Tokyo, Taipei, Hong Kong and Manila.

(c) *Internal Revenue Service* (Staff 26 US) Personnel in a number of countries cope with wide-spread illicit activities and tax avoidance problems.

(d) *Office of the Secretary* (Staff 32 US, 4 FN) Financial specialists and advisers serve as Treasury Attaches in some 11 foreign countries.

(e) *Secret Service* (Staff 4 US, 1 FN) The District Office at Paris has operational responsibilities in Europe, Africa, and the Near East, maintaining liaison with foreign governments in connection with its responsibilities to protect certain US-national leaders and carry out other Secret Service functions.

(f) *Comptroller of the Currency* (Staff 3 US) The office at London supervises foreign branches of national banks through regular examinations.

Mr. HAYS. Would you have any idea what the Justice Department would be doing with 147 people overseas? There would not be too much over there to bug or break into, would there?

Mr. STOESSEL. I think a large part of their work, sir, is connected with the narcotics problem, the BNDD Office has representatives in various of our posts abroad. There is also personnel in connection with the Immigration and Naturalization Service. The FBI has representatives performing liaison functions with foreign countries and there is also a representative of the Civil Division of the Justice Department.

Mr. HAYS. Do you know what HEW has staff over there for?

Mr. STOESSEL. They have some representatives of the National Institutes of Health. They do have a Social Security Administration representative.

Mr. HAYS. According to this they have 173 foreign nationals. Do you have any idea what they are doing?

You know, it looks to me—and I have said this before—that every department of the Government has its own foreign service. Maybe we ought to just abolish the State Department and let these people handle it. There seem to be more of them over there than there are your people.

You don't have any idea what these contract employees are for, do you?

Mr. STOESEL. I don't have a detailed knowledge of it. I would be happy to provide that.

Mr. HAYS. Would you, sir?

Mr. STOESEL. Yes.

[The information requested follows:]

#### JUSTICE

(a) *Bureau of Narcotics and Dangerous Drugs* (Staff 164 US, 12 FN) Personnel control/combats drug abuse in the U.S. by various activities abroad: cooperate with foreign governments to strike at the supply, production and trafficking in illegal drugs.

(b) *Immigration and Naturalization Service* (Staff 89 US, 28 FN) Personnel perform work relative to the admission, exclusion and deportation of aliens. Also, cooperate with other agencies (Agriculture and Customs) in maintaining pre-flight inspection stations in Canada, Bermuda, and the Bahamas.

(c) *FBI* (Staff 87 US) Personnel perform liaison work with the police and investigative agencies of foreign countries to expedite coverage of leads abroad arising from investigations being conducted by the FBI within the U.S.

(d) *Civil Division* (Staff 1 US) Trial Attorney at Munich with regional liaison responsibilities to arrange for qualified foreign counsel when needed by USG agencies.

Mr. HAYS. Do you have any questions at this point, Mr. Kazen?

Mr. KAZEN. No, Mr. Chairman.

Mr. HAYS. Governor Thomson?

Mr. THOMSON. No.

Mr. HAYS. I did see someplace here figures that included hardship allowances. What hardship positions do you have in Europe besides the Iron Curtain countries? Do you have any?

Mr. STOESEL. I think those are the only ones, Mr. Chairman.

Mr. HAYS. A few years ago I remember we raised a fuss in this committee about hardship positions in Western Europe, one or two. Have you done away with them?

Mr. STOESEL. We do have a 10-percent differential in Iceland and 20 percent in Belfast, Northern Ireland.

Mr. HAYS. In Iceland.

Mr. STOESEL. There are only two in Western Europe.

Mr. HAYS. You don't have any in Italy?

Mr. STOESEL. No, sir.

Mr. HAYS. There was a time when you had a hardship differential for Italy because of the climate. Do you recall?

Mr. STOESEL. I don't remember.

Mr. HAYS. In that case, I ought to get a 20-percent hardship allowance for coming from Ohio, and we ought to give the Governor 30 percent. I think our climate is worse than Italy in both cases. I will be kind enough to say Ohio does not have a climate, just a variety of weather that is all bad. If you had been there last week, you would have agreed with that and this week, too. We had freezing weather 2 days.

Any questions?

Mr. KAZEN. What kind of retirement programs do you have for local employees?

Mr. STOESSEL. Mr. Congressman, I think it depends on the requirements of the local countries to some extent. Our employees do benefit from our own U.S. Government retirement provisions and then in some countries there are other requirements imposed by the regulations of the host country, so it varies accordingly with each country.

Mr. KAZEN. Where there are some regulations in that country do they apply to all embassies and to all foreign personnel, not just the United States?

Mr. STOESSEL. Yes, all local employees.

Mr. KAZEN. All local employees.

Mr. STOESSEL. Of all countries.

Mr. KAZEN. On the same basis?

Mr. STOESSEL. That is correct. These are generally the regulations imposed on all employees in that country.

Mr. KAZEN. No further questions, Mr. Chairman.

Mr. HAYS. What about the devaluation, Mr. Stoessel? Is there any allowance made for people, for example, in Germany or any other country where we have had a serious devaluation on the dollar, or have they just taken a 15-percent pay cut?

Mr. STOESSEL. Sir, the budget we are presenting does not take into account the devaluation. However, we have submitted a request to the Congress, to the appropriate committees for a supplemental authorization to take that into account.

Mr. HAYS. You better get it into this because up to now we don't have that lovely paragraph allowing you to go to the Appropriations Committee for anything under the sun that is not included in this.

So I would suggest if they are not working on it they get cracking on it before we write this bill up; otherwise, you might find yourself without any further authorization for it.

Mr. STOESSEL. We will look into that, sir.

Mr. HAYS. I want to go into some detail with you about what you are doing about security. I am sure you probably would prefer to do that in closed session. Do you want to do that now, or would you prefer I hear these other two gentlemen and then talk to all three of you at the end about that? Could you wait?

Mr. STOESSEL. I am at your disposal on this. As we have stated in our submission, we do propose the addition of two new positions for American security officers. These would be for positions in Eastern Europe in Prague and Budapest.

Mr. HAYS. You are not going to get anybody kidnapped in Eastern Europe, are you?

Mr. STOESSEL. I would hope not.

Mr. HAYS. I don't think there is a chance. I think it would be more likely to happen in a more open society, and that is what I want to talk to you about.

Mr. STOESSEL. There are problems, as you know, of course, about technical penetration and surveillance and so on in Eastern Europe.

Mr. HAYS. But you have had that for 25 years. We all know that and expect that. I have been there a few times. It is strange and varies from completely unobtrusive to a fellow following me at 10 paces with a submachinegun back in 1949 in Poland. I don't know exactly what

two more men could do about that, but I am concerned about kidnappings and terrorist attacks. We have just had an example of it in the last day or two or three.

Mr. STOESEL. We are also proposing in this submission funds for a number of security guards that would be local guards in Western Europe. If you would like to go into this further, we would be glad to consider it at your convenience.

Mr. HAYS. Suppose we hear from Mr. Richardson, who would not have anything to do with security in any case, and then we will perhaps go into executive session with Mr. Denney on the intelligence and research and allow you to stay, and we can ask you some joint questions on the situation.

If there are no more questions on Europe, we will hear now from Mr. Richardson.

**STATEMENT OF HON. JOHN RICHARDSON, JR., ASSISTANT SECRETARY, BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE**

John Richardson, Jr., 52, of New York, was long engaged in international activities as a private citizen prior to his first appointment in government in July 1969 by President Nixon as Assistant Secretary of State for Educational and Cultural Affairs. He is now also Acting Assistant Secretary of State for Public Affairs, by Presidential appointment a member of the Board of Directors of the Inter-American Foundation and an *Ex Officio* Trustee of the John F. Kennedy Center for the Performing Arts.

While he was a general partner in the investment banking firm of Paine, Webber, Jackson & Curtis in New York in the late 1950's, Mr. Richardson became Treasurer and President of the International Rescue Committee. A private, tax-exempt relief agency, it has helped thousands of refugees, especially those in the professions and creative arts, since the early 1930's.

In 1957, after learning of shortages of pharmaceuticals in Poland, Mr. Richardson personally organized and carried out a private effort through which several million dollars worth of drugs were contributed by American drug companies and made available to hospitals throughout Poland. The distribution was sponsored by CARE, the Polish Ministry of Health, and a special board of Polish physicians. Soon thereafter he became an original sponsor and Board member of the American Research Hospital for Children in Cracow, Poland.

From 1961 to 1968 Mr. Richardson was President and Chief Executive Officer of Free Europe, Inc., (Radio Free Europe), continuing during this period as a limited partner in his investment banking firm.

On March 1, 1968 he resigned from his position at Free Europe, Inc. to pursue full time for the ensuing year the study of international communication as a factor in social and political change.

Mr. Richardson received his A.B. degree at Harvard in 1943 and his law degree there in 1949. In World War II he served in a parachute field artillery unit and was awarded the Bronze Star with Combat V.

In 1949 he joined the New York law firm of Sullivan and Cromwell, continuing as a law associate until 1955 when he changed his vocation for the first time by joining Paine, Webber, Jackson & Curtis.

Mr. Richardson has also been a director of the Foreign Policy Association, 1958-68; a director of Freedom House, New York, 1963-69; and a member of the Council on Foreign Relations since 1957.

From 1967 to 1969 he was Chairman of the Department of Metropolitan Mission of the United Church of Christ in New York. He has also been a director of the New York State Conference and the Mt. Vernon (N.Y.) branch of the NAACP, and a director of Westchester Residential Opportunities, Inc. (providing financial and other services to facilitate housing integration).

He is married to the former Thelma Ingram. They have five daughters and two granddaughters. Their home is in McLean, Virginia.

## EDUCATIONAL EXCHANGE—FISCAL YEAR 1974 BUDGET SUMMARY

Mr. Chairman, the budget proposed under the major Function, "Educational Exchange" totals \$59,800,000.

## MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACTIVITIES (\$53,000,000)

This appropriation includes all educational and cultural exchange programs carried out by the Department of State under authority of the Mutual Educational and Cultural Exchange Act of 1961. The amount requested for FY 1974 is \$53,000,000, an increase of \$8,000,000 over the fiscal year 1973 appropriation of \$45,000,000.

In addition, an increase of \$71,837 is estimated in funds available from other sources. This total increase of \$8,071,837 for the program consists of:

*Exchange of persons +\$7,023,837*

An increase of \$7,023,837 to provide for mutually beneficial exchange activities with special emphasis on projects to support the Bicentennial Commemoration, and to stimulate private cooperative efforts and relationships between American and foreign organizations (\$6,343,837); expand and enhance the high school exchange program particularly in lower income countries (\$110,000); and strengthen the selection, placement, counseling and orientation of non-grant students (\$570,000).

*Aid to American sponsored schools abroad +\$250,000*

The proposed increase of \$250,000 will provide for the development of improved educational programs in these schools to demonstrate American educational ideals as well as educational principles and methods employed in the United States.

*Cultural presentations +\$200,000*

Increased funds will provide for a balanced program abroad with primary emphasis still on the USSR and East Europe.

*UNESCO support activities +\$25,000*

The requested increase will provide for within-grade salary and other supporting costs.

*Program services +\$473,000*

The requested increase of \$473,000 provide for within-grade salary costs and full year costs of 15 positions previously established for essential program activities (\$188,000); overseas wage and price increases and the necessary additional overseas support for the requested increase in program (\$285,000).

*Administrative expenses +\$100,000*

The increase of \$100,000 will provide funds for additional mandatory expenses including within-grade salary costs, travel and overseas wage and price increases.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST  
(\$6,800,000)

This appropriation provides for development, maintenance and operation in Hawaii of a Center for Cultural and Technical Interchange Between East and West. The amount requested for FY 1974 is \$6,800,000, an increase of \$600,000 over the FY 1973 appropriation of \$6,200,000.

The increase of \$600,000 provides for:

*Education, research and training programs +\$497,200*

To meet price increases, mandatory employee salary and benefits costs, and increased costs for grantee housing and subsistence.

*Program direction, administration and institutional support services +\$102,800*

To meet price increases, mandatory employee salary and benefits costs, and increases in printing and publications, rentals and computer services.

Mr. RICHARDSON. Thank you, Mr. Chairman.

I very much appreciate the opportunity to testify before the distinguished members of this committee with respect to the programs of the bureau of education and cultural affairs and the east-west center.

In my 31½ years in this job, I have become increasingly impressed with the enthusiasm for these cultural exchange programs among not only our Ambassadors and other foreign service personnel, but among all kinds of thinking people both in our own and in other countries all around the world. There seems to be a growing awareness that in an increasingly complex, interdependent and interesting world, myths, misconceptions and mendacity can create and intensify conflict, while habits of trust and confidence can contribute positively to a climate of mutual understanding directly and favorably affecting our diplomacy. There seems to be, furthermore, a growing consensus that carefully managed exchange-of-persons programs, purposefully planned to engage the leaders and potential leaders of other countries in personally rewarding and intensive experiences in our country or with counterpart Americans abroad is an effective and relatively low cost means of achieving these ends.

In the past year these programs have played a substantial role in broadening and deepening communication and cooperation with the Soviet Union, in developing a new relationship with the People's Republic of China, and in developing new channels for dialog in the Middle East, South Africa, Japan, Indonesia, Eastern Europe and elsewhere.

The growing power and reach of the mass media all around the world as well as accelerating changes in power relationships are two of the factors which, in my own opinion, increase the importance of these programs with their unique capacity to correct distortion among key groups through direct first person experience and to build self-reinforcing patterns of communication and cooperation between our own and other societies.

In the President's annual review, just released, the case for exchanges is summarized as follows:

Scientific, educational, and cultural exchange between the United States and scores of other countries are also steadily increasing, under both official and unofficial auspices. These have helped open up new levels of dialogue with present and prospective leaders in much of the world.

These expanding contacts of millions of American citizens and hundreds of American organizations with their counterparts abroad must increasingly influence the way others see us and the way all societies see themselves. These trends are not a panacea but they are contributing to a climate of understanding in which governments can pursue the adjustment of official relationships. They also afford the individual citizen meaningful ways to help build the structure of peace which is America's goal.

Mr. Chairman, we are requesting an increase under the mutual education and cultural affairs from \$45 million to \$53 million, and for east-west center, from \$6.2 million to \$6.8 million. The detailed justifications have been submitted.

In addition I should note that the amounts requested are substantially the same as those authorized by this committee and the House last year.

I thank you again, Mr. Chairman, for this opportunity and would be happy to try to answer your questions.

Mr. HAYS. In other words, we authorized \$53 million and the Appropriations Committee cut it?

Mr. RICHARDSON. Yes.

Mr. HAYS. I will try to find out which area Mr. Rooney is especially interested in and see if we cannot cut that in our authorization and

maybe raise you above \$53 million. I found that works very well sometimes.

Are you still the Acting Assistant Secretary of State for Public Affairs as well as the Assistant Secretary for Educational and Cultural Affairs?

Mr. RICHARDSON. Yes; I am.

Mr. HAYS. There seems to be a great tendency in this administration to have everybody doing two or three jobs. Are you able to give adequate attention to both jobs?

Mr. RICHARDSON. I believe I have been able to give sufficient attention so that the functions of both Bureaus have been adequately performed; yes.

Mr. HAYS. Maybe we ought to put an amendment in here combining the two if one man can handle it, and just eliminate one position. What do you think about that?

Mr. RICHARDSON. In my opinion it would not be an improvement, Mr. Chairman. I believe that both Bureaus deserve the full-time attention from an Assistant Secretary.

Mr. HAYS. How long has it been since they have been getting full-time attention?

Mr. RICHARDSON. About 2 years.

Mr. HAYS. But you just said you thought you adequately could handle both jobs, and have been apparently for 2 years, is that right?

Mr. RICHARDSON. I don't think it is an ideal arrangement, Mr. Chairman.

Mr. HAYS. I wonder if it takes 2 years to find somebody equipped to do this job for public affairs. I assume that you consider your main job is Assistant Secretary for Educational and Cultural Affairs?

Mr. RICHARDSON. Yes; I do.

Mr. HAYS. The other one is sort of an extra?

Mr. RICHARDSON. Yes, it is. They have got an excellent staff in that Bureau and with a relatively modest amount of supervision they have done, I think, an adequate job.

Mr. HAYS. Mr. Richardson, on page 34 of the budget in brief you request an increase of \$7 million to provide for mutually beneficial exchange activities with special emphasis on projects to support the Bicentennial commemoration. What does that mean?

Mr. RICHARDSON. That means, Mr. Chairman, that the President has in effect directed us to seek in the international dimension of the Bicentennial the improvement of the very kind of communication that these cultural exchange programs are intended to support with the rest of the world, that is, improvement in quality of interactions between key groups in this society and other societies. We, therefore, are, for example, planning the strengthening of the American studies programs abroad and are developing a number of projects that will fit, I believe, well with the general purpose of the Bicentennial commemoration. In many other ways we are seeking to use the opportunity of the Bicentennial and the interest that it is generating all around the world to increase the effectiveness of communication between this country and other countries.

Mr. HAYS. Mr. Richardson, a couple of weeks ago a couple of bus loads of people came to the little village that I live in in Ohio from Germany from a town, I believe, called Oberhausen. I didn't hear much

about it before they came, it was planned by some local people whom you would think would not know too much about international exchange. It turned out this group was a 75 piece band. They farmed them out in various homes in the area. They gave a concert in the high school auditorium, which was jammed, standing room only, one of the best I have ever heard. They played everything from operetta to classical music, and did it extremely well.

The members of this band from Germany paid their own way over here. They used their 2 weeks vacation time to come.

I don't suppose anybody in your Bureau knew anything about it, but it was under the auspices of the people-to-people program. From what little knowledge I had they were in the United States from the day they left until the day they arrived back, 2 weeks, except for a couple of days in Canada.

Do you have anybody who coordinates these kinds of programs in your Bureau, or knows anything about them, encourages them in any way?

Mr. RICHARDSON. Yes. One of the major efforts we have been making in the last several years is to become much better acquainted with the details of interchange between this country and other countries of the kind that we are interested in encouraging and, therefore, we have not only within the Bureau, but within the Government at large established coordinating procedures and information systems, so that while I don't know about that particular occasion I should imagine that somebody in my Bureau did.

We are at least trying now systematically to keep on top of what is moving back and forth between this country and other countries that are significant in terms of our cultural relations.

Mr. HAYS. I was asked to be present to greet these people when they arrived at the town hall. I made a special trip to Ohio to do it. I was so impressed with them that I stayed on to Sunday to hear their concert. I was very much impressed with that, too. The man who handled it was, I think, from the University of Michigan. The one problem which didn't seem to be a very big problem was the language problem. He acted as interpreter. His German was not too good. I would have thought it would have been highly productive if somebody in the Government could have provided a good, fast interpreter for them.

They told me publicly that in this whole trip I was the only public official outside of the mayor of the village whom they had seen on this tour. They were very much impressed by the fact that I took time to come.

I just think it would be extremely beneficial if we had a better liaison with these kinds of programs. I am not criticizing the man from my village who arranged it, but he told me he was an amateur. He knew nothing about it. He hoped to do better the next time. He could have benefited by a little bit of professional advice in the publicity and the whole arrangement of the visit. It was a tremendous experience for the people who hosted these folks. They were just ordinary working people, as the people in the band were. They were all amateurs, but they put a lot of professionals that I have heard to shame in some of the things they produced.

Mr. RICHARDSON. I certainly agree with you, Mr. Chairman, as to the value of the particular event, as I would have been equally im-

pressed, I am sure, if I had been there. I agree with you also that it would have been desirable for more official notice to have been taken of the visit.

Much of this visiting goes on under the auspices both of organizations that we have some direct relationship with, and some that we don't. For example, we try to improve the capacity of a number of American organizations which are engaged in this kind of interchange to do the job better, and ways of doing the job better would be notifying officials at the right time and asking that somebody be present, if it would seem to be desirable. For example, most of the interchanges are privately sponsored between this country and other countries, and that is the way it should be, it seems to me. What we should do, and can do, and evidently did not do in this case, is to be in touch with the organizations which are sponsoring it, and to be aware of what the needs are, and if there is a need for an interpreter, or an official welcomer take appropriate steps.

Mr. HAYS. One of the problems they had was the fact that they gave this concert in an auditorium that seats 500 people. I met several times to find out what amount of money they took in, which they were going to donate to this group to help defray the cost of the buses, but with a little bit of help, or a little guarantee they could have gotten the Capital Music Hall in Wheeling which seats 3,000, and with a little bit of assistance publicity-wise they could have filled the place I am sure, and they would have expanded the benefits of this exchange from 500 people to 3,000 people, or six times as many.

I believe, had the general public in the Ohio tri-State area—Ohio, West Virginia, western Pennsylvania—known they would have packed the place. That is the thing that I think is kind of tragic, that there was a chance to expose them so much more than they were exposed. The ages of this group ranged from 14 in the band to 55. As I say, they were a highly competent organization.

Mr. KAZEN?

Mr. KAZEN. Sir, do we have any tangible evidence of advantages that we get from these programs?

Mr. RICHARDSON. Mr. Congressman, it is very hard to demonstrate in any very precise way the advantages because they tend to be measured in effects on the way people feel, and think, and behave, and that is a very difficult thing to measure accurately. But we have, I think, demonstrated to people who have looked at the program in depth over the years time and again that there are substantial changes in the effects on people as a result of participation in these programs.

For example, we now have around the world about 250 or more individuals who are members of cabinets, ministers of other governments, who have participated in these programs, many of them by intensive exposure in this country over periods of time ranging from a 30-day leader grant trip to long stays as a result of being here under the Hays-Fulbright academic exchange program.

Now the effects on those people you can't prove, but you only have to be abroad for a time and meet with people who have participated in this program to be convinced that it is of great value to the United States because such an experience tends not necessarily to make someone a supporter of the United States at every turn in terms of what the United States is doing, but it does tend to deepen the understanding

of an individual of what this society is all about, of what our strengths are, of the way we function as a society, and of the way the system works so as to make it much more understandable.

When we do one thing or another in the international scene there is a basis for understanding what we are doing, and what our objectives are. The likelihood of being misunderstood as being imperialist, or being out to conquer the world, or out to push other people around is much less if one has had enough experience in this country to see what kind of a society we really are, and this is the kind of exposure that this program does give to people, and to people who become very consequential in their own countries.

Mr. KAZEN. I suppose you have some guidelines as to whom you ask to participate in these programs.

Mr. RICHARDSON. Yes, we do indeed. One of the major management tasks in such a program is to try to assure that we get the most outstanding people to participate in whatever field it is that we are seeking participation in. The whole trick in a program like this is to develop the system so that you can be reasonably confident that almost everybody who participates is really an outstanding person with a great potential for leadership.

Mr. KAZEN. Do you keep lists of those people that are in this program?

Mr. RICHARDSON. Yes, we do.

Mr. KAZEN. Do you follow through, say, a year or two later to see what their activities have been when they go back?

Mr. RICHARDSON. We do on a spot basis. We obviously can't do it on everybody, and if we did we might look as though we were too interested in what happened to other people in other countries who have participated. We would not want to look too interested, but we do on a spot basis try, in all of the programs to make evaluations after the event to see what has happened.

Mr. KAZEN. Have you been satisfied that in a majority of the cases your program has been a success?

Mr. RICHARDSON. Yes, I certainly have.

Mr. KAZEN. Thank you, Mr. Chairman.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. Mr. Richardson, I am looking at the request for authorization here, and I wonder where you have in this document this item for the Center of Culture and Technical Exchange?

Mr. RICHARDSON. It appears, Governor, on page 87 of the submission.

Mr. THOMSON. Well, it isn't in the tabulated exchange activities?

Mr. RICHARDSON. It is on page 89 of the tabulation, Mr. Congressman.

Mr. THOMSON. Educational research and training?

Mr. RICHARDSON. Yes, it is the heading program by activities under the title "Center for Cultural and Technical Interchange Between East and West."

Mr. THOMSON. You must have a different book than I.

Mr. RICHARDSON. Page 89.

Mr. THOMSON. Tell us what they are doing over there spending pretty nearly \$7 million now.

Mr. RICHARDSON. Yes; the legislative mandate is very similar to the Hays-Fulbright legislation. As you may recall, it is to induce better

relations and a better understanding among the peoples of the United States, Asia, and the Pacific area through cooperative studies of training and research.

The center is not a development agency, it is not a technical assistance agency. It is a scholarly center which is designed to bring about the close cooperation and work around common problems of leading people in the academic and professional world from the countries around the Pacific basin.

Over the years since its founding in 1960 this center has produced a growing body of graduates whom it keeps in touch with all around the Pacific area. These are now among the leaders in many walks of life in the Pacific countries. They are all people who have studied and worked at this center located in the University of Hawaii, and who have worked with American counterparts on problems of common concern. There is in effect a human relations network of people as a result of the existence of this center which is probably by now of major significance in bringing about the very mutual understanding that the legislation called for.

Mr. THOMSON. How do you spend your money? Do you subsidize your students?

Mr. RICHARDSON. Yes, we subsidize the students, bring them from other countries. We subsidize the staff and the academic institutes. There are institutes in food, in communications, and cultural learning, in population, in technology and development, and each of those institutes which is a part of the total center—those institutes as they call them—is a place where these students at graduate level that we subsidize come together and work under leading professors from both America and from the countries of the Pacific. This is one of the changes that has been taking place in the last few years. It has been becoming increasingly internationalized as an academic center and we pay the whole bill in effect, the Federal Government does.

Mr. THOMSON. Who selects the students?

Mr. RICHARDSON. They are selected under the responsibility of the chancellor of the center, and the way he does it is to work for example through the binational commissions that exist in a place like Japan for example under the MECEA program, under the Hays-Fulbright legislation. There are national commissions in a number of countries, and those commissions which we helped to pay for through the MECEA legislation do other jobs as well when we ask them to. One of the jobs we ask them to do is to help select students for the east-west center, because that is directly complementary to the basic Hays-Fulbright program. So that is one way that they are selected.

Others are selected in cooperation between the east-west center and the local governments where they come through the ministries of education, and so forth.

Mr. THOMSON. Well, I would think some of these ministries of education would want to pay the salaries of the scholars they send over there. Is there any effort to have that type of cooperation?

Mr. RICHARDSON. Yes, and some of that is happening now as a result of not only Japan's development economically, but as a result of the beginning of their appreciation of the importance of this kind of activity to them. They are beginning to pay some of the costs of

sending their people. We have had similar contributions now from other places like Korea. It is beginning to become a shared responsibility.

Mr. HAYS. The Japanese have more dollars than we do. It looks like they ought to pay all of it for their people.

Mr. RICHARDSON. They have just in the last year, Mr. Chairman, established a new major foundation for cultural relations. They have never had a program before. They are just beginning to appreciate the need for it, which is very clear to us, and I am very hopeful that they will begin to put a lot more effort into these kinds of programs than they have in the past.

Mr. THOMSON. How many students do you have annually?

Mr. RICHARDSON. There were a total in this current year of 1,172, Mr. Congressman.

Mr. THOMSON. How many faculty?

Mr. RICHARDSON. I believe the figure is 135, Mr. Congressman, but I would like to check it if I may.

The total for faculty is 138 in 1973, and that includes program direction, administration, and support services.

Mr. HAYS. Governor, this committee has only looked at that place once since it has been established. I kind of thought maybe about the first week in December would be a good time to take another look at it. So you might just draw a ring around that date.

Mr. THOMSON. Very appropriate time.

Mr. HAYS. If we ever get the Congress adjourned by that time.

Mr. KAZEN. Am I to understand that we have very little to say about which students come over here?

Mr. RICHARDSON. To that center, Mr. Congressman?

Mr. KAZEN. Yes.

Mr. RICHARDSON. As a Government agency the State Department doesn't directly supervise the selection of the students any more than we directly select students for many kinds of activities that we work with, but we are very careful to review what the Center is doing, and who is there, and what their performance is, so that we are constantly able, I believe, effectively to monitor the effectiveness of what they are doing and the quality of the student body.

I think in the 12 years now that the Center has been there the quality of the participants has steadily grown, and under the present Chancellor, Chancellor Kleinjans, the Center is becoming an academic institution of worldwide note; it is becoming a place where people come from all over the world to learn about the very innovative programs that are being pursued there. So I think that we can be reasonably sure and confident that not only the selection is well done, but that the quality has improved.

Mr. KAZEN. The only thing that I was wondering was whether the students that come to this Center are the ones that their governments want to send, rather than the ones that we would like to see in there.

Mr. RICHARDSON. Well, it tends to be in some countries a combination, Mr. Congressman. In some countries a student can't leave his own country without permission from his government, without authorization. That is true in many countries. In many places such a program really has to be basically cooperative. That is not necessarily a bad thing though because governments—particularly governments in developing countries in my observation—tend to want to select people

who are the people who are going to be in important jobs, because they want these jobs well done. This is a place where they can get training that they need and, therefore, the government participation is not necessarily a bad thing in my opinion.

Mr. KAZEN. And these will be the ones that they will rely on in that particular field?

Mr. RICHARDSON. Exactly.

Mr. KAZEN. Thank you, sir.

Mr. HAYS. Who did you say the Chancellor is?

Mr. RICHARDSON. Everett Kleinjans.

Mr. HAYS. What was his background before he became a Chancellor?

Mr. RICHARDSON. He was the vice chancellor of a college in Japan. He is bilingual in Japanese, and has lived in Japan for many years. That was his immediate preceding position where he was basically a scholar, anthropologist, a linguist.

Mr. HAYS. He is an American?

Mr. RICHARDSON. American, definitely.

Mr. HAYS. You plan to expand the high school exchange program you say particularly in lower income countries. Can you tell us a little more in detail about that?

Mr. RICHARDSON. Yes. This is like so many other programs that we assist—it is basically a private program. We have three organizations which we work with in this field—the American Field Service, the Youth for Understanding, and International Christian Youth Exchange.

Each one of those is a major private organization with millions of dollars of funds each year in revenues and funds being expended on the exchange of teenage high school students between this and other countries. The students, as the general pattern, either go for the summer and live in a home in the other society, or they go for a whole year and live in a home in the other society and go to school in the other society. It is a two-way exchange with people coming to this country and people going from this country.

I know as a result of my own family experience that it works. I had a daughter in Germany under the American Field Service program years ago, and we have had several young people from other countries in our home under this program, before I ever came to Washington, and it is a demonstrable fact that the young people who go through this experience for the rest of their life expend a considerable amount of energy keeping in touch with the country they stayed in, keeping in touch with the family, keeping in touch with the community, and it does build solid relationships.

So we are glad not to support it, but simply contribute enough to each of these organizations so that we can help them to broaden their reach a little, get into communities and levels of the population where they otherwise could not, and also it helps us to keep an eye on these programs to be sure that they maintain the kinds of standards which they have had in the past, and which makes them effective for their purposes and ours.

Mr. HAYS. We have such a program in the local high school. My daughter was in it, and I would not let her participate in it because I was able to send her overseas on my own, and I thought somebody would not have the chance to participate. The local people out there

pay their way. The Rotary Club and the other civic clubs have fund raisers, and they raise enough money to send students every year.

I don't know how the foreign students get here. They have three in the winter from Latin America for the second semester of the school, and then they send the local young people down to Latin America during the summer.

Should not AID be working in this field or are they?

Mr. RICHARDSON. No; AID does not work in this field. I think they would argue, I suspect, that their job is technical assistance at a level of competence which would be above the teenage level, so to speak. So they probably would argue that they should not be in this kind of program, whereas our charter is relationships and patterns of communication, and we think that the teenage exchange programs serve those purposes very well.

Mr. KAZEN. Do you have a list of the countries that participate in this program?

Mr. RICHARDSON. I do not have one with me, Mr. Congressman. I would be glad to supply it.

Mr. KAZEN. How many countries are there that participate, the numbers?

Mr. RICHARDSON. Well, I would think that the number is probably around 75. In other words, the total of these three organizations—I may have it.

Well, just counting Latin America it is 21 countries. Counting Africa, 13 countries. Counting the Near East and South Asia, 10 countries. Counting Europe, 18 countries. Counting East Asia, 13 countries.

I hope somebody can add.

#### STATEMENT OF RICHARD W. MURRAY, DEPUTY ASSISTANT SECRETARY FOR BUDGET AND FINANCE, DEPARTMENT OF STATE

Mr. MURRAY. Seventy-five.

Mr. KAZEN. Thank you, sir.

Mr. HAYS. Mr. Richardson, I don't want to disappoint the Governor here. He prodded me a little bit about this. I have been trying for some years to get you to send some big university marching band. I think you got them on television in our country; you had three or four stops. The second stop you would have wherever you had them in a stadium or wherever full.

I suggested Ohio State, which is supposed to have the best one in the country, maybe Wisconsin has a good one—they can't play football—the University of Texas, which has a lot of sex up front. I don't care which one it is, but I just think it is great entertainment, and I think it would reach more people than any particular act you can send abroad because you can put it on in a stadium and the costs would be relatively modest.

I am sure some of these universities would be able to find some funds on their own to help out with it.

Have you ever given any more thought to it, other than when I am talking to you, and you forget about it when you walk out?

Mr. RICHARDSON. Yes; I certainly have.

Mr. HAYS. You have forgotten about it when you walked out?

Mr. RICHARDSON. No, sir; I have not forgotten about it when I walked out. This year, for example, we have discussed such a possibility with the People's Republic of China. This seemed to us to be a case where this particular kind of attraction would have a very special kind of meaning, where we were willing to put in substantial funds which we are not in most of the world to move a major orchestra or band of this kind.

So we have discussed it with them, and they have not responded on that particular item yet, but it is one of the items that is on the table.

Mr. HAYS. One final question. I have several others which I will forgo.

In how many countries do we have these binational commissions? That is not statistics you just gave us?

Mr. RICHARDSON. No, sir; it is not. Forty-three.

Mr. HAYS. Do you regard them as worthwhile, or are they just some more bureaucracy?

Mr. RICHARDSON. No, sir. I regard them as very worthwhile, Mr. Chairman, because they provide a means whereby leading people in that country and our own embassy people can work together to make the selection process in that country work to the benefit of what we are both trying to achieve, which is better communication.

I think by and large, although there have been exceptions, but by and large, it works well, and is worth the money that it costs to keep them up.

Mr. HAYS. How many countries are putting some money into this program themselves? I know we have an agreement with Germany for example, and some others.

Mr. RICHARDSON. Twenty countries, Mr. Chairman.

Mr. HAYS. What is the total figure, do you have that?

Mr. RICHARDSON. Yes, I do.

In the current year, Mr. Chairman, \$2,600,000.

Mr. HAYS. Do you have any statistics on how many foreign students are studying in the United States, both under private auspices and under your program?

Mr. RICHARDSON. Yes, we have such statistics. They are not extremely accurate, but they give you a good order of magnitude and understanding of what this figure is.

Mr. HAYS. Could you give us that?

Mr. RICHARDSON. Yes. The number in the 1971-72 academic year according to the figures which are compiled each year by the Institute of International Education with the help of some money from us was 140,000.

Mr. HAYS. What percentage are under Government-sponsored programs, do you know?

Mr. RICHARDSON. Yes. The number first of all under Department of State programs in that year was 2,011. The total under Government programs I have also.

In fiscal year 1972 the number of foreign participants brought in by all agencies for training, education, or orientation purposes to the United States was—I can give it to you by agency, Mr. Chairman. I don't have the total again.

Mr. HAYS. Well, would you just supply that for the record?

Mr. RICHARDSON. Yes; we would be glad to.

[The information requested follows:]

Of the total number of approximately 140,000 foreign students currently enrolled in U.S. colleges and universities (1972-73 academic year), no more than 6 percent are sponsored by Government programs.

Mr. HAYS. Do you give any assistance to those who are not under Government programs?

Mr. RICHARDSON. Not direct assistance, Mr. Chairman, but we do try indirectly to improve the quality of their experience in this country. We do so in two ways.

One, by offering overseas advisory services, so that a foreign student wanting to come to this country is able to find out what the realities are both in terms of costs and in terms of the varying programs offered by different educational institutions.

Second, we provide in this country support to the programs of several private agencies that assist foreign students. For example, the National Association for Foreign Student Affairs has among its membership just about every foreign student adviser on every campus in the country. That agency we help to provide training services for its own members so that a foreign student adviser as a result of our program ought to be better equipped to provide help to a foreign student so that he can solve his problems more easily in this country.

In addition, we work with citizens groups who are interested in providing home hospitality and other kinds of hospitality for foreign students, and we provide help to such organizations in what they are doing. So in various indirect ways we try to help foreign students in this country although we only marginally provide any direct help.

Mr. HAYS. What kind of cultural programs have you been conducting in Eastern Europe?

Mr. RICHARDSON. We have in Eastern Europe a variety of programs now which almost equal in some countries—Yugoslavia, for example—what we do in a Western country. We have exchanges of graduate students, professors. We send performing arts groups to Eastern Europe and the Soviet Union, that incidentally is almost the only place we send performing arts groups any more. We have leader grants for individuals who are invited to this country for a short stay for individually tailored trips. We do really carry out a full range of programs now in Eastern Europe.

Mr. HAYS. Why do you send performing arts groups only to the Soviet Union?

Mr. RICHARDSON. Well, when the budget for this activity was substantially reduced in the late 1960's decisions had to be made by my predecessors as to what to reduce. One of the functions that was reduced most drastically was in the performing arts, wisely or otherwise.

Mr. HAYS. Well, that was because of some unfortunate selections that were made. As I recall they didn't sit too well with the Appropriations Committee. Isn't that the fact of the matter?

Mr. RICHARDSON. Yes, I think that certainly contributed to it. We have restored a substantial amount to that budget in the request that is before you now. We are asking for a million dollars for the performing arts, which would be a 25-percent increase over the level this year.

Mr. HAYS. It seems to me when you are sending these groups to the Soviet Union they have to fly over some of these countries both going and coming, and it would not cost very much to have them stop for a performance or two, and you might get considerable benefit out of it cost ratiowise.

Have you ever thought of that?

Mr. RICHARDSON. Yes, we do precisely that.

Mr. HAYS. To go from here to Moscow you pretty near have to stop in Warsaw—the plane does anyway at least anytime I have gone.

Mr. RICHARDSON. Correct. We do that. We rarely send an attraction to the Soviet Union without having a tour of Eastern Europe as well, and much of what we send to the Soviet Union is picked up by, as we say in our terminology, a commercial pickup in Western Europe and we will simply extend their trip by sending them to Moscow and back where they could not go commercially. We try to save money both ways.

Mr. HAYS. But again, however, wherever you pick them up in Western Europe they still have to fly over a good part of the European block to get to Moscow. They have to fly over something, either Poland, or Czechoslovakia, or whatever.

Mr. RICHARDSON. I didn't mean to suggest in what I said before that the Soviet Union was the only place we send cultural attractions. The Soviet Union and Eastern Europe is the area where we send cultural attractions.

Mr. HAYS. Any other questions?

Thank you, Mr. Richardson.

Mr. RICHARDSON. Thank you, sir.

Mr. HAYS. If there is no objection, the committee will go into executive session on this matter of security with Mr. Denney and Mr. Stoessel, if he is still here.

[Whereupon, at 11:15 a.m., the subcommittee proceeded in executive session.]

## EXECUTIVE SESSION

Mr. HAYS. The next witness is Mr. George C. Denney, Jr., Deputy Director, Bureau of Intelligence and Research.

Mr. Denney, do you have a prepared statement?

Mr. DENNEY. Just a very brief one, Mr. Chairman.

**STATEMENT OF GEORGE C. DENNEY, JR., DEPUTY DIRECTOR, BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE**

George C. Denney, Jr. was appointed Deputy Director of Intelligence and Research in the Department of State on April 28, 1963.

Mr. Denney came to the Department of State from the staff of the Senate Committee on Foreign Relations, where he had served as a consultant since 1956 under Chairmen George, Green and Fulbright. For a period of eight months immediately preceding his appointment, Mr. Denney had been on leave of absence from the Committee Staff under a fellowship of the Institute of Current World Affairs of New York. Prior to his service in the Legislative Branch of the Government, Mr. Denney held the positions of Deputy Assistant General Counsel, Office of the Secretary of Defense, 1955-56; Assistant Counsel, Office of the Director for Mutual Security, 1953-54, and Foreign Affairs Officer, Department of State, 1950-52.

Mr. Denney was born in Pittsburgh, Pennsylvania on July 18, 1921. He received a B.S. degree in 1942 from Waynesburg College. He served in the U.S. Navy for four years in World War II, in British Guiana, in the Mediterranean Fleet, and in Amphibious Group 13 in the Pacific Theatre. He retired from the Naval Reserve with the rank of Lieutenant Commander. Mr. Denney received his LL.B. degree from Harvard Law School in 1948 and pursued the specialized study of Soviet Law and society at Columbia University from which he received an M.A. degree in 1950. He has been admitted to practice before the Supreme Judicial Court of Massachusetts, the Federal District Court of the District of Columbia, and the Supreme Court of the United States.

Mr. Denney married Alice McCauley of Greensburg, Pennsylvania in 1946. Their children are Christopher, 24, and Jill, 21.

**BUREAU OF INTELLIGENCE AND RESEARCH—FISCAL YEAR 1974 BUDGET SUMMARY**

Mr. Chairman, the budget proposed by the Bureau of Intelligence and Research under the major Function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals \$8,002,700. This amount includes American Salaries and all direct operating expenses of the Bureau. There are 317 domestic positions included in the budget, all direct.

There is a net increase of \$821,300 over fiscal year 1973 and includes:

Annualization:	
New positions in 1973.....	\$463, 700
Within-grade salary increases.....	24, 600
Price increases.....	3, 000
Improved support for an expanded foreign affairs external research program.....	330, 000
Total increases.....	821, 300

The budgeted amount of \$8,002,700 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, and miscellaneous salary costs (83.3 percent)-----	\$6,666,100
Travel of persons and transportation of things (0.9 percent)-----	71,100
Rents, telephone and other administrative costs (2.9 percent)-----	229,600
Printing and reproduction (0.2 percent)-----	15,000
Office machine maintenance, repair and maintenance of equipment, and newsticker service (0.1 percent)-----	12,000
External research contracts (11.8 percent)-----	941,000
Supplies and equipment, office (0.8 percent)-----	67,900

As you can see, Mr. Chairman, 83.3 percent of our expenses are salary costs and allowances, and the remaining categories compose 16.7 percent of the total budget of \$8,002,700.

Mr. HAYS. All right. Do you want to submit it or read it?

Mr. DENNEY. You have it before you, just a budget summary.

Mr. HAYS. All right, just the budget summary. You need not read it.

I would like to ask you a few questions, Mr. Denney, and I am sure Mr. Kazen and Governor Thomson would, too.

What are you doing about protecting diplomats abroad? Are you beefing up the capability or praying or just what are you doing?

Mr. DENNEY. Mr. Chairman, that is really outside my field and responsibility. Our Bureau of Intelligence and Research is pretty strictly an analytical organization. We do conduct some liaison with other intelligence agencies but we are not in the internal security business or personnel security work.

Mr. HAYS. We have intelligence in the military and we have intelligence in the State Department and in CIA. Would it not be a good idea to combine some of these things?

Mr. DENNEY. Well, in some of the other agencies the function of analyzing what is going on in the world is combined with the function of personnel security and investigations of employees and so on. In the State Department the two things are separate. The Office of Security handles the personnel screening and we are analysts of foreign developments trying to describe and analyze and forecast what is happening overseas on those topics which are of concern to the policy bureaus.

Mr. HAYS. For example, what do you analyze?

Mr. DENNEY. We are organized in parallel with the policy bureaus in the Department. We have offices for research on the different geographic areas and those offices keep track of developments in those countries—political, economic, sociological developments—and attempt to find out why things are happening and what is likely to happen next and we furnish those analyses to the policy bureaus. Similarly, we have offices on economic research and strategic political/military affairs, which perform the same kinds of functions for the benefit of the corresponding policy bureaus in the Department.

Mr. HAYS. You have research on military affairs. Now, can you do anything that the military does not already do in that field?

Mr. DENNEY. We don't try to duplicate at all what the military might do by keeping up on the details of the order of battle of the Soviet Union, for example. What we do try to do is to get into those policy issues, political/military policy questions and provide analyses that will be helpful to the Bureau of Political and Military Affairs. One of our officers, for example, has become very familiar in detail with the problems associated with the mutual balanced force reductions question in Europe and he has concentrated on the information about the forces involved and the significance of the Soviet forces and the Western European forces and is able to contribute to the analysis of what would be sensible allied proposals and what this reaction of the other side might be to that sort of analysis.

Mr. HAYS. I understand the CIA receives all your cables, is that right?

Mr. DENNEY. The CIA gets State Department telegrams; yes, sir.

Mr. HAYS. Doesn't its work duplicate yours then?

Mr. DENNEY. Its work duplicates ours to some extent, but its function is broader than ours. The Director of Central Intelligence has responsibility for coordinating the work of all of the different offices in the agencies that are doing this analysis. Each agency is analyzing what is happening in the world for the benefit and purposes of its own agency but the CIA coordinates the production of what are called the national intelligence estimates and everybody participates in writing those. Those go to the President as the Director of Central Intelligence's consensus opinion on whatever the subject is.

Mr. HAYS. You could not use the analysis of the CIA?

Mr. DENNEY. We do use it. For example, in the economic field the Central Intelligence Agency has always specialized in the analysis of Communist countries: the Soviet Union, Communist China, and so on. We have very little capability in those fields and we rely very much on their analysis. Our economists are concentrating on the free world economic developments as to which we share the burden with CIA.

Mr. HAYS. Do you have any analysis within the United States?

Mr. DENNEY. No.

Mr. HAYS. Are you aware that the CIA apparently does?

Mr. DENNEY. I read in the morning paper about it.

Mr. HAYS. Provide disguises, cameras and God knows what for people and bug other people's offices and break in and what have you. This Congress does not have the responsibility to question them about it but somebody ought to.

Does anybody coordinate all Government research in this field?

Mr. DENNEY. Yes, sir. The Director of Central Intelligence is charged with coordinating the analysis of foreign developments across-the-board in the U.S. Government. On the external research side—that is, the contract research in the foreign affairs field—the Department

of State is responsible for coordinating that activity and we take the lead now once a year in preparing a consolidated executive branch program of most of the Government's contract research with academics and outside professional analytical organizations.

Mr. HAYS. Does Dr. Kissinger make any use of your studies or does he have his own research?

Mr. DENNEY. He makes use of our studies; at least we send them to the National Security Council. He also has a staff of his own. He can also, of course, draw on any agency in the executive branch for an opinion.

Mr. HAYS. Mr. Kazen.

Mr. KAZEN. I don't have any questions, Mr. Chairman, except one.

Who did you say was responsible for the actual security?

Mr. DENNEY. In the Department of State the Office of Security under Mr. Gentile is responsible for that, for personnel security.

Mr. KAZEN. For personnel security?

Mr. DENNEY. And physical security, too.

Mr. HAYS. Off the record.

[Discussion off the record.]

Mr. FASCELL [presiding]. Governor.

Mr. THOMSON. How large is your staff?

Mr. DENNEY. There are 317 positions included in the budget which is before you.

Mr. THOMSON. How many are overseas? Any?

Mr. DENNEY. None.

Mr. THOMSON. You just get reports from overseas and analyze them?

Mr. DENNEY. Right. We get reports from all of the Government agencies that are sending reports back plus the press in foreign countries and scholarly analysis here and abroad about foreign countries.

Mr. THOMSON. And then you look it over and try to predict what direction you are going to be taken, whether it is in economics or political areas?

Mr. DENNEY. Yes.

Mr. THOMSON. You are the crystal ball of the State Department?

Mr. DENNEY. Well, no. I think the Policy Bureau equally has to do the best it can to figure out what is going to happen in the future. We regard that as one of our functions in a systematic way and we are constantly doing that.

Mr. THOMSON. What are the new positions you are adding?

Mr. DENNEY. We are not adding any new—

Mr. THOMSON. You did add some in 1973?

Mr. DENNEY. Yes. In the Supplemental Appropriation Act for fiscal year 1973 we were allowed to have 30 new economic positions. Five of them will be in our geographic research offices and the rest in the Office for Economic Research, but only one-third of the salaries of those people were included in that bill so this money here, \$463,700, adds to our base the money to go on paying their salaries permanently.

Mr. THOMSON. No further questions.

Mr. FASCELL. Do you develop external intelligence or do you rely on external sources?

Mr. DENNEY. We have no collectors of intelligence.

Mr. FASCELL. So you rely on the daily estimate?

Mr. DENNEY. We rely on the reports from the U.S. missions all over the world and the work that is done in the Defense Intelligence Agency and CIA.

Mr. FASCELL. How is that material distributed through your shop, if it is, and what do you do with it when you get it?

Mr. DENNEY. Well, first of all the State Department—

Mr. FASCELL. Just tell us on a day-to-day basis how it works. Start in the morning.

Mr. DENNEY. Well, the State Department messages are distributed to our Bureau by the communications center in the Department the same as any other Bureau gets its traffic. We receive batch distribution from DIA and CIA of their reports.

Mr. FASCELL. Let's take your mission reports first.

Mr. DENNEY. And then we pass those out to the people in the Department who need them in the other bureaus. In other words, we are a distribution center for DIA and CIA reports and we are the recipients of the State Department reports.

Mr. FASCELL. You don't evaluate?

Mr. DENNEY. We evaluate all of them or at least—

Mr. FASCELL. You just distribute them?

Mr. DENNEY. No.

Mr. FASCELL. You could not possibly evaluate every day unless you have an awful lot of people.

Mr. DENNEY. We have 317 people and we try to cover the—

Mr. FASCELL. You mean your people read all the incoming traffic every day from the missions plus all the DIA and CIA material? Then you evaluate it and send it to the respective departments in State who need the information?

Mr. DENNEY. No.

Mr. FASCELL. I misunderstood you. I am sorry.

Mr. DENNEY. No, I just meant that we physically distribute to the other offices in State the DIA and CIA reports.

Mr. FASCELL. You are just the distribution center for that.

Mr. DENNEY. We don't put any evaluation on that.

Mr. FASCELL. Right.

Mr. DENNEY. What I meant was we receive all three of these kinds of reporting and on the basis of that we write our own analysis—not every day—of what is happening in these countries. We also perform—

Mr. FASCELL. Give me an example. If I am an assistant secretary—geographic—how would I get your material in relation to external intelligence coming from DIA or CIA and what I would do with it?

Mr. DENNEY. Well, generally—take Mr. Stoessel, for instance. Sometime in each day Mr. Stoessel, Assistant Secretary for European

Affairs, and his assistants sit down with INR's Office Director for Europe and in 10 or 15 minutes he goes through the last 24-hour "take" so to speak and says: "Here are the latest significant developments." We have gone through all of the messages and so on, here are the things that we think you ought to notice as being new and significant. That happens 5 days a week. Then during the day if anything special happens—

Mr. FASCELL. But that is a consolidated thing as I understand it, is that correct? It is like I get my newsclips every morning on what happens every place.

Mr. DENNEY. Sort of like that.

Mr. FASCELL. But the DIA and CIA in your own intelligence is worked into this report that he is looking at.

Mr. DENNEY. That is right.

Mr. KAZEN. And it takes 300 some-odd people to do this?

Mr. FASCELL. I am surprised it does not take twice as many, frankly.

Mr. DENNEY. That is the current intelligence briefing; a 15-minute summary each morning of everything that came in overnight.

Mr. FASCELL. It would take that many people just to read the traffic from one mission every day. They have so much traffic it is unbelievable. I don't think I am exaggerating it one bit. I don't know if we could ever determine how much 1 day's traffic is that comes in and out. It would take more than 317 people just to file it.

Is that the extent of the intelligence responsibility, or is there something else?

Mr. DENNEY. Well, I have mentioned the current intelligence function, sifting the traffic daily. I have mentioned the general analytical function of trying to provide for the policymakers a little more in depth view of what is happening and what is likely to happen abroad. We also operate for the Department an external research program: contracts, consultants, and conferences.

Mr. FASCELL. That is about \$900,000.

Mr. DENNEY. It will be if you authorize it: \$941,000 in contracts plus some for consultants and conferences. Then we also have the function of liaison with CIA and DIA for problems of concern to the State Department in their operations; for instance, the question of whether it is justifiable and appropriate to have a military attaché at a certain country in Africa or not. We are the liaison between the State policy bureau and the Defense Intelligence Agency on that question.

Mr. FASCELL. CIA gets all of your traffic, but you don't get all of CIA's traffic?

Mr. DENNEY. Pretty much.

Mr. FASCELL. What does that mean?

Mr. DENNEY. I mean that there is a—

Mr. FASCELL. When you say "pretty much" it means not all, right?

Mr. DENNEY. Right.

Mr. FASCELL. They have the right to exclude traffic from the State Department.

Mr. DENNEY. And vice versa.

Mr. FASCELL. I don't know if there is any vice versa, I have never heard about it, so now is a good time to tell us.

Mr. DENNEY. I think there are certain State Department messages which the CIA does not get.

Mr. FASCELL. From the field?

Mr. DENNEY. From the field.

Mr. FASCELL. How does an Ambassador get it through? How could an Ambassador get something through to the State Department without the CIA knowing about it? I don't believe that is right. I don't believe he can.

Mr. DENNEY. Yes, there could be various ways.

Mr. FASCELL. Does he have his own secure communication system?

Mr. DENNEY. Yes.

Mr. FASCELL. Secure from CIA?

Mr. DENNEY. Yes.

Mr. FASCELL. Well, that is news to me. I never heard that before.

Mr. DENNEY. I believe it is the case.

Mr. FASCELL. Well, that is a welcome relief.

Mr. DENNEY. But in general there is a rather full exchange.

Mr. FASCELL. I would expect there would be.

Mr. DENNEY. All of us are relying on essentially the same body of information in our analyses.

Mr. FASCELL. Right.

Mr. DENNEY. There has to be a full exchange so that we can communicate about what is happening.

Mr. FASCELL. How does your Bureau relate to the National Security Council requirements?

Mr. DENNEY. Well, the National Security Council requirements would mostly be transmitted to the Director of Central Intelligence if an estimate is wanted or an analysis is wanted and then we would contribute to that intelligence community assessment, which goes back to the NSC. There are occasional NSC requests just to our office for a particular paper or analysis but that is not typical.

Mr. FASCELL. When a particular paper or analysis is requested and you coordinate with CIA or cooperate, do you also go up the line to your policy people with the same information?

Mr. DENNEY. Yes.

Mr. FASCELL. For whatever their input is going to be on that particular paper or study?

Mr. DENNEY. Yes. When a national intelligence estimate is prepared on Europe the people from our bureau working on it will be talking to Mr. Stoessel's people about it.

Mr. FASCELL. You say your bureau is responsible for coordinating external research. What does that mean?

Mr. DENNEY. That means contracts and conferences and consultants in the foreign affairs field—

Mr. FASCELL. Outside the United States?

Mr. DENNEY (continuing). Which we pay a professor from a university or the Institute of Defense Analysis or some organization outside the State Department.

Mr. FASCELL. Is that all U.S. research that you are talking about or just State Department?

Mr. DENNEY. We have our own program. Defense has a similar contract program. AID has one.

Mr. FASCELL. But you don't coordinate Defense external research.

Mr. DENNEY. Yes, we do. The State Department chairs an inter-agency committee where these matters are discussed and consolidated in an annual program.

Mr. FASCELL. When do you do that? At budget time?

Mr. DENNEY. No, we do it really throughout the year. Right now we are just getting in the proposed external research programs of these agencies for fiscal 1974 and 1975 and we will consolidate them.

Mr. FASCELL. How do you determine your needs for external research each year ahead of time?

Mr. DENNEY. Well, we do it in several ways. There are always more proposals to study things or have a conference or bring in a consultant than we can pay for at any given time so we have a backlog all the time. We judge from past requests and past experience what the needs are likely to be for the future and we go to some extent on the amount of staff that we have to deal with these requests and to process them and to coordinate them, and in those ways we decide what we should ask for.

Mr. FASCELL. Your request is \$941,100 for this next fiscal year.

Mr. DENNEY. Yes. That is the amount we will have for contracts if you authorize it.

Mr. FASCELL. Now for other coordinated research for the same fiscal year, how much is that and where is it?

Mr. DENNEY. Well, around the Government as a whole the total would be something like \$38 million.

Mr. FASCELL. Most of it in Defense?

Mr. DENNEY. Well, I have the figures for last year, fiscal year 1972, here. AID had \$15.3 million. Defense had \$5.2 million. HEW had \$7 million. National Science Foundation had \$5.4 million. The Department of State, including ours and the Cultural Affairs Bureau, had \$2.1 million. So we are the smallest of all those agencies.

Mr. FASCELL. What you are doing in effect is getting your external research budget spread out through Government so it does not show up in yours.

Mr. DENNEY. No, their research is theirs and ours is ours, but we do try to coordinate. That is, we do have a series of geographic and functional committees whereby the research managers from all the agencies get together and discuss what each is going to do.

Mr. FASCELL. But \$34 million of that other research is all mission oriented. How do you use it?

Mr. DENNEY. Well, we make considerable use of the research that is done by other agencies and from time to time we are able to work out with them joint projects whereby we all agree that we are interested in a certain thing and AID will put up so much money and we will put up so much money and have a joint project. That is one of the main purposes of these coordinating subcommittees for each of the geographic and functional areas.

Mr. FASCELL. Who determines the policy on external research, what individual?

Mr. DENNEY. You mean who decides what contract to make?

Mr. FASCELL. Just general broad U.S. policy or State Department policy or your policy, who determines it?

Do you?

Mr. DENNEY. Well, no, not me.

Mr. FASCELL. Who?

Mr. DENNEY. Not me by myself. The Secretary, of course, has to pass on the amount of money that we are allowed to ask for.

Mr. FASCELL. Yes.

Mr. DENNEY. The Director of the Bureau of Intelligence and Research is the manager of the program.

Mr. FASCELL. Yes, but does he make the decisions?

Mr. DENNEY. He and the Deputy Chairman of the Department's Research Council who is the Deputy Director of the Policy Planning and Coordination staff together have, I think, more to say than any individual bureau but we do have a process by which the bureau representatives and we meet several times a year to discuss what should our program be, how do we divide up the pie so that we have something of a balance between geographic and functional studies. We try to cover the world and satisfy our bureau customers because they all want some research and not everybody can have just exactly what he wants.

Mr. FASCELL. That is true but the point is that you are doing \$1 million and everybody else is doing \$34 million which tells me something. Now you tell me you are not spreading your requirements throughout other people's budget even though you use their research. So what this tells me is that you don't need external research and that is kind of curious to me, you know, because let's say Defense—and I don't want to pick on them but they just happen to be the largest and the most visible.

Mr. DENNEY. They are not the largest any more. They used to be but they are not any more. They passed out of the foreign affairs research business considerably.

Mr. FASCELL. Well, who is then?

Mr. DENNEY. The largest now is AID.

Mr. FASCELL. They may not be doing research which is useful to State.

Mr. DENNEY. Well, their research is, as you say, very closely related to their own work, how to figure out how to do the best job of technical assistance or whatever.

Mr. FASCELL. That has nothing to do with policy as far as State is concerned, or very little.

Mr. DENNEY. Most of their reports are not directly relevant but some of them are helpful. For instance, in the population field we have some joint projects with them to try to figure out the relationship between economic and political development and the growth of population and what the interaction is.

Mr. FASCELL. Is project camelot still alive under a different name?

Mr. DENNEY. No.

Mr. FASCELL. Is that kind of external research country by country still going on?

Mr. DENNEY. Not very much any more.

Mr. FASCELL. Well, was it ever finished?

Mr. DENNEY. That particular project, no. It never got started.

Mr. FASCELL. That type of project?

Mr. DENNEY. There are some contract research projects which take place overseas and we continue to have the State Department screening of the proposals or such projects.

Mr. FASCELL. Is there any other large contract that pops up in your mind going on right now?

Mr. DENNEY. Nothing pops to my mind. We are clearing them for other agencies from time to time.

Mr. FASCELL. Give me an example of what kind of external research is now going on specifically requested by State.

Mr. DENNEY. Well, not directly requested.

Mr. FASCELL. Required; needed; desirable?

Mr. DENNEY. We just cleared a USIA research project for east Africa, I believe. That project is to try to determine——

Mr. FASCELL. What their target audience is?

Mr. DENNEY. Well, which of their media combinations will be the most effective in reaching the people of east Africa. That is an example of the sort of thing that we clear for foreign relations sensitivity.

Mr. FASCELL. Well, would you not be interested at the same time as to what content over what kind of media would best reach an audience?

Mr. DENNEY. Yes; the State Department is interested. When the request from USIA comes to have a contract like that——

Mr. FASCELL. All they are going to do is determine which gets it. Who decides what content best fits that target to the U. S. audience? That is what I meant.

Mr. DENNEY. Well, that is a matter for——

Mr. FASCELL. That is not a matter for you in your Bureau.

Mr. DENNEY. No, it is not.

Mr. FASCELL. I never have understood that.

Mr. DENNEY. Well, the Policy Bureau in the State Department works with the USIA.

Mr. FASCELL. They never see the content. All that intelligence work you do is the basis for the formulation of policy at State and the two never meet when the USIA starts broadcasting?

Mr. DENNEY. No, I think the Bureau of African Affairs does—if we can stick with that example—keeps close track of what USIA is saying in east Africa. Yes, I am positive they do.

Mr. FASCELL. If you don't know, then nobody else in State would know.

Mr. DENNEY. As I said, I think the bureau—

Mr. FASCELL. What I mean is, you should know or you ought to know if you are sending guidance out to policymakers all the time. Is that external research and intelligence?

Mr. DENNEY. No, our function in reviewing a USIA proposal is very narrow. We are simply to decide whether the way that they propose to go about their research is likely to hamper relations with the country in which the research is being done.

Mr. FASCELL. You don't think that affects U.S. policy in any way?

Mr. DENNEY. It does, but that is a narrower question than passing on the value of the research or who the researcher is or anything like that. We don't get into that.

Mr. FASCELL. What is your own personal feeling about the value of external research in terms of U.S. policy formulation?

Mr. DENNEY. I think it is a very important thing to have. I don't regard it as valuable and as urgent to do as the research that we do with our own staff but I think it is needed. I think it is needed for several reasons. First of all there are many experts outside the Government that have knowledge and useful opinions that we don't have inside the Department. Second, I think it is good to have a fresh analysis, somebody without our experience and particular perspective, looking at a subject.

Also, 317 people can handle just so many questions, so we contract out some studies that we cannot physically get to, don't have the time to get to within the Department. So it is an important supplement to what the Department is able to do with its own people.

Mr. FASCELL. How many professional people to you have?

Mr. DENNEY. We have 317 people altogether. I suppose a little less than 200 would be what you might call officers, anywhere from a junior person to a senior person.

Mr. FASCELL. Generally speaking, what is their background? Career?

Mr. DENNEY. Our policy is to have half of these professionals be Foreign Service officers who spend most of their time overseas but come to Washington for a tour or two and the other half professionals in a subject or geographic area who spend practically all their careers in that particular subject matter. We try to keep that mix.

Mr. FASCELL. What do you do if you need scientific advice?

Mr. DENNEY. Well, we have a few people on our staff who are trained in the sciences.

Mr. FASCELL. Hard science?

Mr. DENNEY. No, not too much.

Mr. FASCELL. Behavioralists?

Mr. DENNEY. Some behavioral scientists, but we are really quite thin on that. We would be likely to make a contract for a behavioral science study.

Mr. FASCELL. What you are telling me is we really rely on the mission to give us the information primarily with respect to what is going on in a country.

Governor, anything else?

Mr. THOMSON. No.

Mr. FASCELL. Thank you very much.

We want to talk to Mr. Murray.

Mr. Murray, would you come forward.

You may proceed.

Mr. MURRAY. We mentioned earlier in one of the sessions last week that the Department was now in the process of preparing a budget supplement or budget amendment for 1974 to cover this problem of terrorism. Our current budget was prepared, as you know—

Mr. FASCELL. Excuse me. You lost me. What are we amending the budget for?

Mr. MURRAY. In order to provide funds to cover the costs of personnel and facilities security.

Mr. FASCELL. What is in the package?

Mr. MURRAY. Well, this is what I wanted to discuss, sir.

The present budget was prepared in the normal process last fall and while there are several items in it that relate to security of our personnel and of facilities overseas it was prepared prior to the increase in the security problem. It has been looked at very carefully by our security people and by our communications people. It extends across the Department for five regional Bureau areas, the area of communications, the area of security.

Now what is in the package? There are additional personnel and these personnel would be security officers for posts where we feel that there is a need for one but where we do not presently staff with one but cover it only on a regional visit basis. There will be some communications personnel that will be added to in country communications such as voice communications say between the residences of the principal people, their cars, and the embassy for security purposes.

There will be armored vehicles and partially armored vehicles and follow cars which we are using now in several places in the world. I believe you are aware that we have them in Latin America where the problem really first came to a magnitude that we had to be very concerned about kidnappings and other acts of terrorism.

There will be additional Marine guards that we will plan to assign for protection purposes. We will be asking for people for a protective security force right here in Washington, D.C., which would be to cover the principals in the Department of State and such groups as, for example, the Chinese ping pong team or the Russian basketball team. Right now we are dependent upon the cooperation of the local police forces and in many cases they are not able to provide it or it represents quite a strain on them to provide it. It is not a large number that we are asking for but we need this type of coverage to handle these situations. We are now doing it by taking our security personnel who are assigned in offices around the country primarily for personnel security checking and using them for that purpose.

Mr. FASCELL. Have you given all this information to the Appropriations Committee already?

Mr. MURRAY. No, sir.

Two other things that I have not mentioned that will be involved in our proposal will be local employed guards for various residences and buildings and facilities; security protection such as fences, grill works for our buildings programs as well as for some of the rented properties that we have under short-term lease or for residences where we feel that it is necessary on the basis of the security officers' recommendations.

We see the total package as adding up to somewhere between \$40 million and \$50 million. One element that has not yet been decided is we feel that we would like to include in it—and it would be included within that figure I just mentioned—whatever is required to provide the security for the USIA operations as well as State so that we have a single control of the security effort rather than having it divided because it will be shifting from time to time from place to place, particularly the armored vehicles, follow cars, and things of that nature.

Mr. FASCELL. Let me just say I am for whatever you need in terms of security. I am curious about the change in policy that brought this about.

Mr. MURRAY. I don't believe, sir, it is really a change in policy.

Mr. FASCELL. You have a supplemental budget. When was the budget made up? Eighteen months ago?

Mr. MURRAY. It was made up last summer from the information available at that time.

Mr. FASCELL. We have been having our Ambassadors and other officers killed, and kidnaped. This is nothing new.

Mr. MURRAY. Yes.

Mr. FASCELL. So don't tell me there was not a change in policy.

Mr. MURRAY. This is certainly a concern that the problem is greater now than it was before. To go back, if I may, I think it was 1968 or 1969 that the Department did come up when we were concerned when things were happening in Latin America. We requested that the Congress provide us the funds for 10 armored vehicles at that time.

Mr. FASCELL. And you got only two?

Mr. MURRAY. No, sir, we got the 10 armored vehicles. We now have nine of them in service, one of them was demolished in Pnom-Penh but saved the life of the man who was riding in it at the time they threw the bomb under it. At that time we asked for other security improvements and most of it was aimed at Latin America, some in the Middle East and some in Southeast Asia. Now, if we call it a change in policy, yes, sir. We are trying to go much further because the problem is much greater. We don't think that it is possible to protect everybody every place because it is just an impossibility.

Mr. HAYS. When you talk about an armored vehicle you are not talking about a tank, you are talking about an automobile that is armed.

Mr. MURRAY. Yes, sir, an automobile that is armored and those automobiles are of the Chevrolet, Plymouth, Ford size variety.

Mr. FASCELL. But they cost a lot of money.

Mr. MURRAY. Yes, in my terms and taxpayers terms but I am not talking about the \$100,000 type of car.

Mr. FASCELL. I am not being critical.

Mr. HAYS. What does it cost?

Mr. MURRAY. In the neighborhood of \$36,000 to \$37,000 bracket, the ones we bought originally.

Mr. FASCELL. You have additional problems, too, in that they require special handling, special maintenance, which you cannot get in most of these countries so your budget is going to rise.

Mr. MURRAY. We have to provide the additional spare parts. They are much heavier and of course require special shocks, special tires.

Mr. FASCELL. You really should have special drivers and you don't.

Mr. MURRAY. We hope to have the best drivers. We are using follow cars as is a practice in the security business which seems to help a great deal. There is a driver and there is a security man or a local guard type in the follow car as well as—

Mr. HAYS. What do you mean, local guard type?

Mr. MURRAY. The hiring of a local or someone that has been provided to us by the host government to help provide protection.

Mr. HAYS. What about the host governments, are they putting more men around our Ambassadors' residences and so on?

Mr. MURRAY. I believe that the answer to that is "Yes;" I could not quantify it. They have in many cases provided this type of protection to the extent that they can. It is not as reliable as if we are doing it ourselves. I have seen them pulled off right when you needed them most.

Mr. HAYS. Of course that happens. I reached up in my library the other night—insomnia—and pulled down a book that has been there for 2 or 3 years, Bill Malden, kind of a 10-year autobiography, and he told about the invasion of Italy. They had some fellow who was the only one who spoke Italian in his outfit and they were trying to set up a newspaper and he picked up the phone and just accidentally got the commander of the Italian artillery on the phone and he told them not to fire any more, so for 3 days there was not a sound out of the Italian guns. Maybe that is what happens when these fellows get called off—somebody comes up and calls them off. Did you ever think about that?

Mr. MURRAY. Well, yes, indeed. And there are other places where—

Mr. FASCELL. Could be the CIA.

Mr. MURRAY. I am not an authority on it, I have not served overseas.

Mr. FASCELL. Nobody is an authority on that.

Mr. MURRAY. I have been in places when they have been under siege, if I may use the term. In Panama I have seen Panama do a great job with their local forces in the protection of the U.S. Embassy, the chancery.

Mr. FASCELL. May I pursue this.

Why don't we have security officers now in our Embassy?

Mr. MURRAY. We have them in some Embassies but we don't have them in every Embassy. We have a man designated as security officer on a part-time basis if there is not one full time.

Mr. FASCELL. This is just in addition to his other duties?

Mr. MURRAY. He is not a trained security officer, that is true.

Mr. FASCELL. So what are we going to do about that in this additional budget?

Mr. MURRAY. We are going to put a security officer in additional Embassies.

Mr. FASCELL. All of them?

Mr. MURRAY. Many of them where we do not now have them.

Mr. KAZEN. When you talk about a security officer at an Embassy, what would his duties be?

Mr. MURRAY. His duties would be to concern himself with the physical security problems of the post, the buildings, the personal security problems of the people.

Mr. KAZEN. While they are in the building?

Mr. FASCELL. In and out.

Mr. MURRAY. In and out, while they are moving. Educating them. The term "education" may not be correct.

Mr. FASCELL. Education is right.

Mr. MURRAY. Educating these people to quit following set patterns, habits of when they go, how they go, why they go, these types of things; to develop routes in the event that there are problems and to—

Mr. FASCELL. And that is a big problem, believe me.

I observed one of our missions where all of our people came out of the same door of the same garage every day at the same hour. There is no other way to get in or out of that garage.

Mr. MURRAY. And I should have added they maintain liaison with the local police force and also investigate and get intelligence that is sorted out in terms of is somebody being set up as a target, who are they after today, as best that can be determined.

Mr. HAYS. You know which airline in the world has never had a successful hijacking, don't you?

Mr. MURRAY. No, sir.

Mr. HAYS. The Ethiopian. They have had about five attempts but nobody ever got away with it. I had a friend on board one of their planes and he said that they shot one of the hijackers and then they took the other three who surrendered and the guards tied them up and cut their throats. When they took them off, they were all four dead.

Now do our people have permission to carry weapons in these countries and do the guards carry weapons, or do they just go on for the ride?

Mr. MURRAY. The guards do carry weapons, sir. Yes, sir. We are not trying to make a—

Mr. HAYS. Salutory thing. If there was some attempted kidnaping and all the kidnapers got shot, that would do more to discourage it than anything I can think of. I guess there has not been an attempt to hijack an Ethiopian airliner since that episode.

Mr. MURRAY. To come back to the estimate that is being prepared, we hope to have it in final form. The Secretary is aware of the magnitude of it and generally the items that are in it. Our problem with it at the moment is sorting it all out to make sure there has not been duplication coming from the various elements of the Department's regional bureaus.

Mr. FASCELL. We have some other problems and I would like to point out one of them. You are talking about additional security in Wash-

ington chargeable to the State Department budget because of the inability or the inequity of putting the burden on the local police force. You are going to have to start taking a look at the New York police force and other police forces. The State Department has turned down as a matter of policy any payment for special sessions at the U.N. or the city of New York, except an *ex gratia* amount much less than was requested. So this would be creating a legislative precedent.

Mr. MURRAY. Yes, sir, I was aware of that when I was referring to local police.

Mr. FASCELL. Mr. Rooney is not holding the hearings this year.

Mr. MURRAY. Chairman Slack is, as chairman of the committee on a temporary basis. I was really referring to local police forces outside of this area.

Mr. FASCELL. If we are now going to take on the burden of additional security to assist local police forces, I am just raising the issue that it seems to me that in all fairness you have to do it across the board. I don't think you just say Washington, D.C.

Mr. MURRAY. Well, the numbers of people that are involved here for this protective close-in security are not a large number although I cannot say how many. They would not be able, for example, to handle the security problem at the U.N. during the General Assembly.

Mr. FASCELL. I realize that. I am just saying that the issue is going to keep being raised now especially since you want to place it in your budget. Obviously somebody else is going to notice it. I am just saying be prepared.

Mr. MURRAY. Mr. Chairman, what we would hope to do here would be to suggest to the committee for their consideration a section that would authorize the funds to cover this type of a thing for personnel and facilities to protect from threats of active terrorism and violence separate and apart from the other proviso so that there would be—

Mr. HAYS. Get your language together and get it up here. We are going to mark this bill up pretty quick.

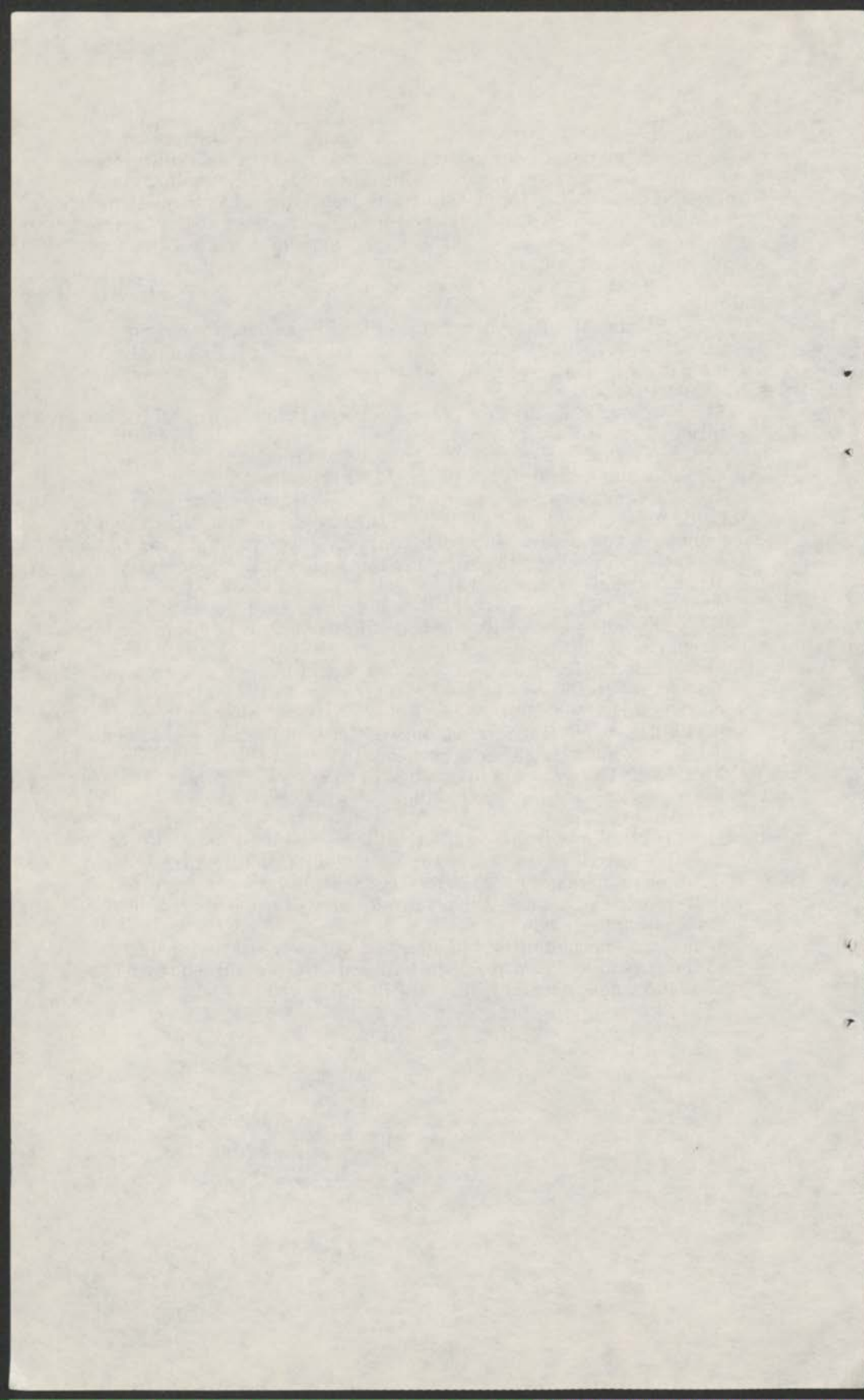
Mr. MURRAY. Yes, sir.

Mr. HAYS. You will get sympathetic consideration from this committee. We have kind of a sorry record; I don't think we have ever cut you a dime yet. We might try to rectify that this year, but get it in anyway this year on that and I don't think you will have any trouble.

Any other questions?

If not, the subcommittee will stand adjourned until tomorrow.

[Whereupon, at 12:05 p.m., the subcommittee adjourned, to reconvene at 10:30 a.m., Tuesday, May 8, 1973.]



## DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1974

TUESDAY, MAY 8, 1973

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON STATE DEPARTMENT  
ORGANIZATION AND FOREIGN OPERATIONS,  
*Washington, D.C.*

The subcommittee met at 10:35 a.m., in room 2255, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. The subcommittee will be in order.

This morning we are privileged to have with us our colleague, Mr. Jonathan B. Bingham of New York.

Mr. Bingham.

### STATEMENT OF HON. JONATHAN B. BINGHAM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. BINGHAM. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity once again to appear before the Subcommittee on State Department Organization and Foreign Operations. As you will recall, when I appeared last year I urged this subcommittee and the Congress to authorize \$85 million in assistance specifically for the purpose of aiding Israel in resettling and "absorbing" the thousands of refugees that had begun to reach Israel from the Soviet Union.

Shortly after that testimony Congressman Halpern and I made a visit to Vienna and to Israel to get a first-hand look at the operation of the refugee program. We were greatly impressed at the efficient and humanitarian manner in which the refugees were received, processed, given the necessary language training, housed and absorbed into Israeli society. We were equally impressed with the burden this work places on the Israeli Government, people, and economy, and the need for assistance in this great humanitarian effort. We recorded our observations in a report which was published as a Foreign Affairs Committee document.

I don't know whether you want to have the report as part of the hearing record, Mr. Chairman, but it is available.

The subcommittee approved the \$85 million authorization request, for which I am most grateful, and following its recommendation the Congress did likewise.

(129)

Of the \$85 million authorized, the Appropriations Committee recommended only \$45 million in the final appropriation bill for this program. The figure given us was \$50 million, but this included \$5 million for the International Committee for European Migration, which was separately authorized.

Because fiscal year 1973 was well along by the time those funds were appropriated, the Department of State chose to spend only \$33.5 million in this fiscal year. That \$33.5 million was distributed as follows:

United Israel Appeal (for use in Israel), \$31 million;

Intergovernmental Committee for European Migration, \$2 million;

Assistance to Soviet migrants to countries other than Israel, \$500,000.

The agreement with United Israel Appeal was signed at the State Department on April 6, 1973.

Mr. Chairman, in my statement is a breakdown of the specific uses anticipated for the \$31 million under this program that will be expended in Israel under the direction of the United Israel Appeal.

I won't read the table, Mr. Chairman, but I call attention to the fact that the largest item, something a little over half of the total, is for the construction or acquisition of apartments and/or mobile homes. One of the things that impressed Mr. Halpern and myself greatly when we visited Israel a year ago is that the Government and the people are making such an effort to accommodate these people that they actually give priority in their housing programs to them. Newly married couples and veterans of the 6-day war and others have to take second place. It is really a remarkable thing.

Mr. BINGHAM. Based on arrivals from the Soviet Union to date in 1973, it is estimated that the immigration from that country to Israel will amount to about 35,000 people (10,000 families) over the next year—about the same number that were received in 1972. The direct costs of initial absorption of these 35,000 persons are estimated as follows, and again I won't read the table in my statement but again you will see that the major item is housing.

In view of the magnitude of the need and the extraordinary sacrifices the people of Israel are making to absorb the Soviet refugees, I submit that the authorization level for U.S. assistance should continue at \$85 million, the same level that was approved by this subcommittee and by the Congress last year. To achieve this, \$36.5 million of new authority will be required. That results from the following simple calculation: On July 1, 1973, there will remain \$16.5 million unexpended from the fiscal year 1973 appropriation, of which \$13.5 would go to this program, the remaining \$3 million is for ICEM; there will also remain \$35 million of the amount authorized last year. Together these amount to \$48.5 million; thus, to bring the total of authorized funds for fiscal year 1974 up to the total of \$85 million, \$36.5 million of new authorization is required.

I earnestly hope that the subcommittee will include an amendment to that effect in the bill as it did last year, noting that as was the case last year the administration did not recommend this program but they have accepted it and are carrying forward with it.

Thank you, Mr. Chairman.

[Mr. Bingham's prepared statement follows:]

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Mr. Chairman. I appreciate this opportunity once again to appear before you and the Members of the Subcommittee on State Department Organization and

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Shortly after that testimony, Congressman Halpern and I made a visit to Vienna and to Israel to get a first-hand look at the operation of the refugee program. We were greatly impressed at the efficient and humanitarian manner in which the refugees were received, processed, given the necessary language training, housed and absorbed into Israeli society. We were equally impressed with the burden this work places on the Israeli government, people, and economy, and the need for assistance in this great humanitarian effort. We recorded our observations in a report which was published as a Foreign Affairs Committee document.

The Subcommittee approved the \$85-million authorization request, for which I am most grateful, and following its recommendation the Congress did likewise.

Of the \$85-million authorized, the Appropriations Committee recommended only \$45-million in the final Appropriation bill for this program. The figure given was \$50-million, but this included \$5-million for the International Committee for European Migration, which was separately authorized.

Because fiscal year 1973 was well along by the time those funds were appropriated, the Department of State chose to spend only \$33.5-million in fiscal year 1973. That \$33.5 million was distributed as follows:

United Israel Appeal (for use in Israel).....	\$31, 000, 000
Intergovernmental Committee for European Migration.....	2, 000, 000
Assistance to Soviet migrants to countries other than Israel.....	500, 000

The agreement with United Israel Appeal was signed at the State Department on April 6, 1973.

Mr. Chairman, I would like to provide for the hearing record a breakdown of the specific uses anticipated for the \$31 million under this program that will be expended in Israel under the direction of the United Israel Appeal:

(i) Enroute care and maintenance costs for 35,000 refugees, Jan. 1 to Dec. 31, 1973.....	\$1, 200, 000
(ii) Construction or enlargement of transit center in Vienna, Austria.....	500, 000
(iii) Construction or acquisition of new absorption centers and hostels.....	4, 000, 000
(iv) Construction or acquisition of hospital wing.....	2, 000, 000
(v) Construction or acquisition of apartments and/or mobile homes.....	15, 700, 000
(vi) University scholarships.....	1, 100, 000
(vii) Training and retraining for artisans and technicians.....	1, 000, 000
(viii) Maintenance costs for on-the-job trainees.....	1, 250, 000
(ix) Maintenance costs at Ulpanim, absorption centers and hostels.....	4, 250, 000
<b>Total</b> .....	<b>\$31, 000, 000</b>

Based on arrivals from the U.S.S.R. to date in 1973, it is estimated that the immigration from that country to Israel will amount to about 35,000 people (10,000 families) over the next year—about the same number that were received in 1972. The direct costs of initial absorption of these 35,000 persons are estimated as follows:

Initial care and absorption (equipment, furniture, and financial aid).....	\$6, 000, 000
Maintenance in hostels and absorption centers.....	17, 000, 000
Construction of new hostels.....	3, 000, 000
Housing (10,000 apartments at \$17,500 each).....	175, 000, 000
Health (hospitalization, medical services, health insurance).....	7, 500, 000
Education (scholarships, special services for professionals, job training, day care services for working parents, language training).....	5, 700, 000
Higher education.....	7, 000, 000
Welfare (homes for aged, training, and retraining of artisans and handicapped, old-age grants, sheltered workshops).....	1, 500, 000
<b>Total</b> .....	<b>223, 000, 000</b>

In view of the magnitude of the need and the extraordinary sacrifices the people of Israel are making to absorb the Soviet refugees, I submit that the authorization level for United States assistance should continue at \$85-million, the same level that was approved by this Subcommittee and by the Congress last year.

To achieve this, \$36.5-million of new authority will be required. That results from the following simple calculation: On July 1, 1973, there will remain \$16.5 million unexpended from the FY 1973 appropriation, of which \$13.5 would go to this program (the remaining \$3-million is for ICEM); there will also remain \$35-million of the amount authorized last year; together these amount to \$48.5-million; thus, to bring the total of authorized funds for FY 1974 up to the total of \$85-million, \$36.5-million of new authorization is required.

Mr. HAYS. Thank you, Mr. Bingham.

Mr. Bingham, just one question. What you are saying then is that we should put an amendment into this bill authorizing \$36.5 million.

Mr. BINGHAM. That is correct.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. What is your understanding of why the Department has not requested the additional authorization?

Mr. BINGHAM. They have not advised me, Mr. Fascell.

Mr. FASCELL. You have no idea?

Mr. BINGHAM. They were rather resistant to the program last year. They said that other things are being done and so on and this was really a program that was initiated in the Congress and carried through by the Congress, and they are carrying it out.

Mr. FASCELL. They are not for it but they are doing it.

Mr. BINGHAM. They could perhaps argue that we don't need any additional authorization because there is still \$35 million left from last year's authorization but I think to maintain a consistent position this committee should provide that the same level of authorization as last year should be authorized. That does not require \$85 million but only \$36.5 million.

Mr. FASCELL. Based on the estimates. The total cost which you have here on that—

Mr. BINGHAM. That part is simply based on what is left if you take what is left over from the \$50 million that was authorized—

Mr. FASCELL. No; what I meant was on the per capita cost based on the estimate that you have on the 35,000 people, 10,000 families—

Mr. BINGHAM. That is right, this \$85 million total corresponds to a fraction of the total cost that Israel is having to meet in absorbing these refugees. That is correct.

Mr. FASCELL. In other words, it is approximately a third of the cost for the next year.

Mr. BINGHAM. That is right.

Mr. FASCELL. That is the way I understand it.

Mr. BINGHAM. Yes.

Mr. FASCELL. The same number of people.

Mr. BINGHAM. That is right.

Mr. FASCELL. That is all I have, Mr. Chairman.

Mr. HAYS. Mr. Kazen.

Mr. KAZEN. No questions, Mr. Chairman.

Mr. HAYS. Governor.

Mr. THOMSON. No questions.

Mr. HAYS. Thank you very much, Mr. Bingham.

Mr. BINGHAM. Thank you, Mr. Chairman.

Mr. HAYS. Without objection, at this time the subcommittee will go into executive session for the markup.

[Whereupon, at 10:43 a.m., the subcommittee proceeded in executive session.]

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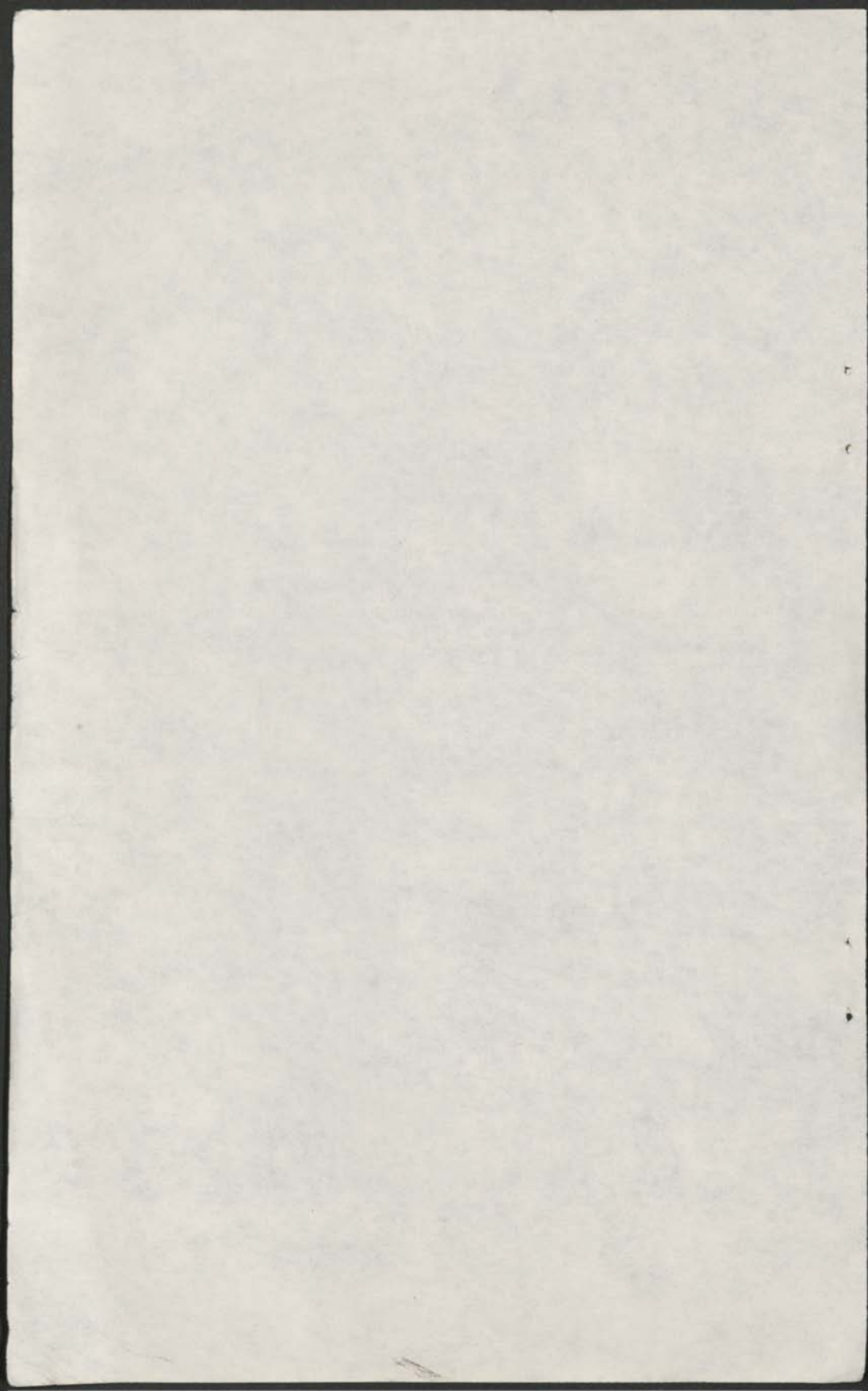
## APPENDIX

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	Page
Global summary of U.S. civilian personnel overseas.....	Facing 134
Text of bill on which hearings were held.....	135
Text of bill reported by subcommittee upon completion of hearings.....	137

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NUMBERS OF CIVILIAN AGENCY\* PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLO

GLOBAL SUMMARY	TOTAL ALL AGENCIES		STATE						AID				USIA		PEACE CORPS				AGRICULTURE				COM.		
			TOTAL		DIRECT		REIMB.		DIRECT HIRE INCL. PASA		CONTRACT		STAFF		VOL.		CONTRACT		STAFF		CONTRACT		STAFF		
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN		US	FN	US	FN	US	FN	US	FN		
AFRICA	4408 100%	3577 100%	807 18.31%	1489 41.63%	456 10.34%	672 18.78%	351 7.97%	817 22.85%	425 9.64%	475 13.28%	305 6.92%	166 4.64%	145 3.29%	615 17.19%	80 1.81%	91 2.54%	2509 56.92%	57 1.29%	185 5.18%	11 0.25%	9 0.25%	-	2 0.06%	-	-
NEAR EAST-SOUTH ASIA	2219 100%	5650 100%	930 41.91%	2219 39.27%	433 19.51%	723 12.80%	497 22.40%	1496 26.47%	283 12.75%	970 17.17%	108 4.87%	709 12.55%	195 8.79%	1397 24.73%	27 1.22%	30 0.54%	613 27.63%	12 0.94%	120 2.12%	14 0.63%	31 0.55%	-	10 0.17%	-	3 0.05%
EAST ASIA, PACIFIC	5093 100%	10137 100%	1037 20.36%	2095 20.67%	563 11.05%	889 8.77%	474 9.31%	1206 11.90%	1666 32.71%	3054 30.13%	387 7.60%	2059 20.30%	245 4.81%	1440 14.28%	42 0.82%	66 0.65%	1425 27.98%	31 0.60%	107 1.05%	24 0.47%	27 0.26%	7 0.13%	50 0.49%	11 0.22%	23 0.22%
LATIN AMERICAN REPUBLICS	4425 100%	4847 100%	1128 25.49%	1855 38.27%	659 14.89%	895 18.47%	469 10.60%	960 19.80%	527 11.92%	954 19.68%	251 5.67%	313 6.46%	204 4.61%	668 13.78%	61 1.38%	105 2.17%	1925 43.50%	14 0.32%	142 2.93%	58 1.30%	236 4.87%	-	12 0.25%	22 0.50%	21 0.43%
EUROPE	2635 100%	5159 100%	1592 60.42%	2839 55.03%	1208 45.84%	1702 32.99%	384 14.58%	1137 22.04%	8 0.30%	-	-	-	233 8.84%	918 17.79%	1 0.04%	-	3 0.11%	-	-	70 2.66%	74 1.43%	3 0.11%	58 1.13%	26 0.99%	61 1.18%
TOTAL	18780 100%	29370 100%	5494 29.25%	10497 35.74%	3319 17.67%	4881 16.62%	2175 11.58%	5616 19.12%	2909 15.49%	5453 18.57%	1051 5.60%	3247 11.05%	1022 5.44%	5038 17.15%	211 1.13%	292 0.99%	6475 34.48%	114 0.61%	554 1.89%	177 0.94%	377 1.28%	10 0.05%	132 0.45%	59 0.31%	108 0.37%

\*Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.

NOTE: Emb & CP - Embassy & Constituent Posts

M/MS 2/1973

ATIC MISSION CHIEFS DECEMBER 31, 1972 (ACTUAL EMPLOYMENT)

ACE		HEW				JUSTICE		NASA				TRANSPORTATION			TREASURY		ABMC/AEC/EPA/EX-IM				GSA/HUD/INTERIOR				NSF/SMITH/TVA/VA			
CONTRACT		STAFF		CONTRACT				STAFF		CONTRACT		MIL.	CIVILIAN				STAFF		CONTRACT		STAFF		CONTRACT		STAFF		CONTRACT	
US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	CG	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
-	-	2 0.05%	-	-	172 4.80%	1 0.02%	-	1 0.02%	-	60 1.36%	348 9.73%	-	2 0.05%	-	-	-	2 0.05%	12 0.34%	-	-	-	-	-	-	1 0.02%	-	-	13 0.36%
-	-	1 0.05%	2 0.04%	-	53 0.93%	29 1.30%	5 0.09%	-	-	-	-	-	3 0.13%	1 0.02%	3 0.13%	1 0.02%	1 0.05%	-	-	-	-	-	-	-	-	-	-	99 1.75%
-	2 0.02%	1 0.02%	-	1 0.02%	158 1.55%	64 1.26%	13 0.12%	1 0.02%	-	1 0.02%	656 6.46%	26 0.51%	40 0.79%	10 0.10%	36 0.71%	27 0.27%	11 0.22%	45 0.44%	-	4 0.04%	11 0.22%	4 0.04%	-	1 0.01%	22 0.43%	286 2.80%	4 0.06%	10 0.10%
-	13 7.27%	7 0.16%	2 0.04%	1 0.02%	30 0.62%	100 2.26%	2 0.04%	3 0.07%	-	72 1.63%	384 7.92%	-	11 0.25%	1 0.02%	27 0.61%	1 0.02%	2 0.05%	2 0.04%	-	-	-	-	-	-	-	-	12 0.27%	106 2.19%
-	26 0.51%	2 0.08%	14 0.27%	-	173 3.35%	147 5.58%	20 0.39%	9 0.34%	-	291 11.04%	573 11.11%	2 0.08%	67 2.54%	14 0.27%	114 4.33%	10 0.19%	42 1.59%	294 5.70%	16 0.61%	13 0.25%	6 0.23%	1 0.02%	-	-	3 0.11%	-	-	71 1.38%
-	41 0.14%	13 0.07%	18 0.06%	2 0.02%	586 2.00%	341 1.81%	40 0.14%	14 0.07%	-	424 2.26%	1961 6.68%	28 0.15%	123 0.66%	26 0.09%	180 0.96%	39 0.13%	58 0.31%	353 1.20%	16 0.08%	17 0.06%	17 0.09%	5 0.02%	-	1 0.01%	26 0.14%	286 0.97%	16 0.98%	299 1.02%





## TEXT OF BILL ON WHICH HEARINGS WERE HELD

93<sup>d</sup> CONGRESS  
1<sup>st</sup> SESSION**H. R. 7316**

## IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1973

Mr. HAYS introduced the following bill; which was referred to the Committee  
on Foreign Affairs

**A BILL**

To authorize appropriations for the Department of State, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Department of State Ap-  
4 propriations Authorization Act of 1973".

## 5 AUTHORIZATION OF APPROPRIATIONS

6 SEC. 101. There are authorized to be appropriated for  
7 the Department of State for the fiscal year 1974, to carry  
8 out the authorities, functions, duties, and responsibilities in  
9 the conduct of the foreign affairs of the United States, in-  
10 cluding trade negotiations, and other purposes authorized  
11 by law, the following amounts:

1           (1) for the "Administration of Foreign Affairs",  
2       \$282,565,000;

3           (2) for "International Organizations and Confer-  
4       ences", \$211,279,000;

5           (3) for "International Commission", \$15,568,-  
6       000;

7           (4) for "Educational Exchange", \$59,800,000;

8           (5) for "Migration and Refugee Assistance", \$8,-  
9       800,000.

10       SEC. 102. Appropriations made under section 101 of  
11       this Act are authorized to remain available until expended.

12       TRANSFER OF APPROPRIATION AUTHORIZATION

13       SEC. 103. Any unappropriated portion of the amount  
14       specified in any of the paragraphs (1) through (5) of sec-  
15       tion 101 of this Act may be appropriated, in addition to the  
16       amount otherwise authorized, under any of the other para-  
17       graphs in that section.

## TEXT OF BILL REPORTED BY SUBCOMMITTEE UPON COMPLETION OF HEARINGS

93<sup>d</sup> CONGRESS  
1<sup>st</sup> SESSION**H. R. 7645**

## IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1973

Mr. HAYS introduced the following bill; which was referred to the Committee on Foreign Affairs

**A BILL**

To authorize appropriations for the Department of State, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Department of State  
4 Appropriations Authorization Act of 1973".

## 5 AUTHORIZATION OF APPROPRIATIONS

6 SEC. 101. (a) There are authorized to be appropriated  
7 for the Department of State for the fiscal year 1974, to carry  
8 out the authorities, functions, duties, and responsibilities in  
9 the conduct of the foreign affairs of the United States, in-  
10 cluding trade negotiations, and other purposes authorized  
11 by law, the following amounts:

1 (1) for the "Administration of Foreign Affairs",  
2 \$282,565,000;

3 (2) for "International Organizations and Confer-  
4 ences", \$211,279,000;

5 (3) for "International Commissions", \$15,568,000;

6 (4) for "Educational Exchange", \$59,800,000;

7 (5) for "Migration and Refugee Assistance", \$8,-  
8 800,000.

9 (b) In addition to amounts authorized by subsection  
10 (a) of this section, there are authorized to be appropriated  
11 for the Department of State for the fiscal year 1974 the  
12 following additional or supplemental amounts:

13 (1) not to exceed \$9,328,000 for increases in  
14 salary, pay, retirement, or other employee benefits au-  
15 thorized by law;

16 (2) not to exceed \$12,307,000 for additional over-  
17 seas costs resulting from the devaluation of the dollar;  
18 and

19 (3) not to exceed \$1,165,000 for the establishment  
20 of a liaison office in the Peoples Republic of China.

21 (c) In addition to amounts otherwise authorized, there  
22 are authorized to be appropriated to the Department of State  
23 \$50,000,000 for protection of personnel and facilities from  
24 threats or acts of terrorism.

25 (d) In addition to amounts otherwise authorized, there

1 are authorized to be appropriated to the Secretary of State  
2 for the fiscal year 1974 not to exceed \$36,500,000 to carry  
3 out the provisions of section 101 (b) of the Foreign Rela-  
4 tions Authorization Act of 1972, relating to Russian refugee  
5 assistance.

6 (e) Appropriations made under subsections (a), (b),  
7 and (c) of this section are authorized to remain available  
8 until expended.

9 TRANSFER OF APPROPRIATION AUTHORIZATION

10 SEC. 102. Any unappropriated portion of the amount  
11 authorized to be appropriated for the fiscal year 1974 under  
12 any of the paragraphs (1) through (5) of section 101 (a)  
13 of this Act may be appropriated, in addition to the amount  
14 otherwise authorized for such fiscal year, under any of the  
15 other paragraphs in that section; except that the aggregate  
16 of amounts appropriated under any such paragraph shall  
17 not exceed by more than 10 per centum the amount au-  
18 thorized by such paragraph for such fiscal year.

19 USE OF FOREIGN CURRENCY

20 SEC. 103. Subsection (b) of section 502 of the Mutual  
21 Security Act of 1954 (22 U.S.C. 1954) is amended—

22 (1) by striking out "\$50" in the first sentence of  
23 such subsection and inserting in lieu thereof "\$75"; and

24 (2) by striking out "published in the Congressional

1       Record" in the last sentence of such subsection and in-  
2       serting in lieu thereof "available for public inspection".

3                               AMBASSADORS AND MINISTERS

4       SEC. 104. From and after the date of enactment of this  
5       Act, each person appointed by the President as ambassador  
6       or minister shall, at the time of his nomination, file with  
7       the Committee on Foreign Relations of the Senate and the  
8       Speaker of the House of Representatives a report of contribu-  
9       tions made by such person and by members of his immediate  
10      family during the period beginning on the first day of the  
11      fourth calendar year preceding the calendar year of his  
12      nomination and ending on the date of his nomination, which  
13      report shall be verified by the oath or affirmation of such  
14      person, taken before any officer authorized to administer  
15      oaths. The preceding sentence shall not apply with respect  
16      to any person who, during the three-year period ending on  
17      the date of his nomination, has performed continuous and  
18      satisfactory service as an officer or employee in the Foreign  
19      Service of the United States under the provisions of the  
20      Foreign Service Act of 1946, or in any case in which the  
21      personal rank of ambassador or minister is conferred by the  
22      President in connection with special missions for the Presi-  
23      dent of a limited and temporary nature of not exceeding six  
24      months. As used in this section, the term "contribution" has  
25      the same meaning given such term by section 301 (e) of

- 1 the Federal Election Campaign Act of 1971, and the term
- 2 "immediate family" means a person's spouse, and any child,
- 3 parent, grandparent, brother, or sister of such person and
- 4 the spouses of any of them.



